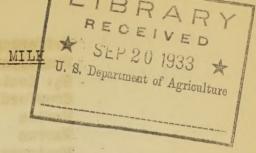
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PROPOSED MARKETING AGREEMENT FOR MIL

ST. LOUIS PRODUCTION AREA.

I.



As used in this agreement, the following words and phrases shall be defined as follows:

- (a) "Fluid Milk" means milk, cream or any other of the articles listed in Exhibit "C", which are sold for consumption in the St. Louis Sales Area.
- (b) "Contracting Producers" means the Sanitary Milk Producers, Inc., a corporation organized and existing under the laws of the State of Illinois, and such producers in the St. Louis Production Area and associations of producers in the St. Louis Production Area of milk sold for consumption as fluid milk in the St. Louis Sales Area irrespective of whether any such person performs any of the services set forth in paragraph "C" as may become parties signatory to this agreement according to terms thereof.
- (c) "Contracting Distributors" means any of the following persons engaged in the business of handling fluid milk, irrespective of whether any such person is also a producer of milk, who may become parties signatory to this agreement according to the terms thereof.
 - (a) Pasteurizers, bottlers or other processors of fluid milk.
 - (b) Persons distributing fluid milk at wholesale or retail:
 - (1) To hotels, restaurants, stores or other establishments for consumption on the premises.
 - (2) To stores or other establishments for resale, or
 - (3) To consumers.
 - (c) Persons operating stores or other establishments selling fluid milk at retail for consumption off the premises.
- (d) "St. Louis Sales Area" means the City of St. Louis and the counties of St. Louis, St. Charles and Jefferson in Missouri; and the counties of Madison, St. Clair, Monroe, Randolph, Perry, Washington and Clinton in the State of Illinois.
 - (e) "St. Louis Production Area" means:
 - 1. Farms lying within the following counties of the states of Missouri and Illinois:

Missouri

Jefferson Franklin St. Louis Crawford Marion Warren Montgomery St. Charles Lincoln Boone Audrain Monroe Gasconade Ralls Pike Phelps

Maries

Calloway Washington St. Genevieve

Iron

St. Francois

Perry Shelby Dent Osage Madison Bollinger Howard Cooper Randolph Cole Miller Moniteau

Illinois

Madison Clinton Perry Randolph Montgomery St. Clair Washington Monroe Bond Macoupin Fayette Jersey Shelby Christian Effingham Marion Cumberland Jasper Clay

Coles Clark Sangamon Green Calhoun Pike Scott Morgan Jackson Franklin Williamson Douglas Piatt. Moultrie Champaign Macon Vermillion Edgar Wayne Jefferson

2. Also means farms supplying milk or cream to creameries located outside of the territory described in paragraph 1 above, which creameries in turn supply cream for sale for consumption in the St. Louis Sales Area as fluid milk, but not milk in bulk or in bottles, including among other creameries.

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It is understood that the foregoing farms are outside of the regular St. Louis Production Area and are sources of cream supply and the producers thereon are not subject to the terms and conditions of Exhibits "A" and "B" hereof.

- (f) "Secretary" means the Secretary of Agriculture of the United States.
- (g) "Act" means the Agricultural Adjustment Act approved May 12, 1933, as amended.
- (h) "Person" means individual, fiduciary partnership corporation, trust, or association.

II.

The parties to this agreement are the Contracting Producers, the Contracting Distributors and the Secretary.

WHEREAS, pursuant to the Act, the parties hereto, for the purpose of correcting conditions now obtaining in the marketing of milk produced in the St. Louis Production Area and in the marketing of fluid milk distributed in the St. Louis Sales Area, desire to enter into a Marketing Agreement under the provisions of Section 8(2) of the Act; and,

WHEREAS, the Sanitary Milk Producers, Inc., market more than seventy-five per cent (75%) of the milk produced in the St. Louis Production Area and distributed and consumed as fluid milk in the St. Louis Sales Area and represents that it has corporate power and authority to enter into this agreement; and,

WHEREAS, the contracting distributors distribute more than seventy-five per cent (75%) of the fluid milk distributed in the St. Louis Sales Area, which said fluid milk comprises substantially all the milk marketed by the Sanitary Milk Producers, Inc., as aforesaid; and,

WHEREAS, the marketing of milk produced in the St. Louis Production Area for distribution as fluid milk in the St. Louis Sales Area and the distribution of said fluid milk are in both the current of interstate commerce and the current of intrastate commerce which are inextricably intermingled;

III.

NOW, THEREFORE, the parties hereto agree as follows:

- (1) The schedule governing the prices at which and the terms and conditions under which milk shall be sold by the contracting producers and purchased by the contracting distributors for distribution as fluid milk shall be that set forth in Exhibit "A" which is attached hereto and made a part hereof. Such schedule may be changed by agreement between the contracting producers and the contracting distributors provided that such changes shall become effective only upon the written approval of the Secretary. Payments to Sanitary Milk Producers, Inc. made pursuant to membership agreements and equivalent payments to the Milk Industry Board from producers who are not members of Sanitary Milk Producers, Inc. made pursuant to Paragraph 4 hereof shall be deemed part of the price paid to producers.
- (2) The plan governing the marketing of milk shall be that set forth in Exhibits "A" and "B" which are attached hereto and made a part hereof. Such plan may be changed by agreement between the contracting producers and the contracting distributors, provided that such changes shall become effective only upon the written approval of the Secretary.

Contracting distributors agree that they will not purchase milk from, or distribute milk of any producers not a contracting producer unless such producer or association of producers agrees to participate in the marketing plan set forth in Exhibit "A" and authorizes such contracting distributors to make payment in accordance with such marketing plan.

- (3) The schedule governing the prices at which and the terms and conditions under which fluid milk shall be distributed and sold by the contracting distributors shall be that set forth in Exhibit "C" which is attached hereto and made a part hereof. Such schedule may be changed by agreement between the contracting producers and the contracting distributors, provided that any such changes shall become effective only upon written approval of the Secretary.
- (4) The contracting distributors shall pay to Sanitary Milk Producers, Inc. pursuant to Paragraph I, article 3, not to exceed 5¢ per cwt. for all milk purchased by contracting distributors from the members of Sanitary Milk Producers, Inc., and the contracting distributors agree that they will not purchase milk from any producer in the St. Louis Production Area: who is not a member of the Sanitary Milk Producers, Inc., unless such producer authorizes the purchasing contracting distributor to pay over to the Milk Industry Board, a non-profit corporation organized under the laws of Missouri, the same amount per cwt. of milk purchased which the members of the Sanitary Milk Producers, Inc., are then authorizing the contracting distributors to pay over to the Sanitary Milk Producers, Inc. Out of the amount per cwt. received by Sanitary Milk Producers, Inc. and Milk Industry Board, Sanitary Milk Producers, Inc. and Milk Industry Board shall respectively pay 2¢ thereof to St. Louis District Dairy Council. The balance, not to exceed 3¢ per cwt., retained by Milk Industry Board shall be kept as a separate fund by the Milk Industry Board for the purpose of securing to said producers not members of Sanitary Milk Producers, Inc. credit ratings of buyers, market information, production control and other benefits similar to those which are secured by the members of the Sanitary Milk Producers, Inc. by virtue of their like payments to said Association.

Contracting producers and contracting distributors undertake that Milk Industry Board shall disburse such funds for the purposes above set forth and that said Milk Industry Board shall keep such books and records in a manner satisfactory to the Secretary, and such funds and such books and records of Milk Industry Board shall be subject to the examination of the Secretary during the usual hours of business, and Milk Industry Board shall from time to time furnish the Secretary such information as the Secretary may require.

The organization powers and duties of Milk Industry Board are set forth in Exhibit "E" hereto attached and made a part hereof.

- (5) All contracting producers not members of the Sanitary Milk Producers, Inc., shall be permitted, as far as marketing conditions may allow, to become members of the Sanitary Milk Producers, Inc., on an equal basis with existing members similarly circumstanced.
- (6) The contracting producers and the contracting distributors shall severally maintain systems of accounting which shall accurately reflect the true account and condition of their respective businesses. Their respective books and records shall, during usual hours of business, be subject to the examination of the Secretary to assist him in the furtherance of his duties with respect to this agreement, including the verification by the Secretary of the information furnished on the forms hereinafter referred to. The contracting producers and

the contracting distributors shall severally, from time to time, furnish information to the Secretary on and in accordance with forms to be supplied by him. All information obtained by or furnished to the Secretary pursuant to this paragraph shall remain confidential information of the Secretary and shall not be disclosed by him except upon lawful demand made by the President, by either House of Congress or by any Committee thereof, or by any Court of competent jurisdiction. The Secretary, however, may combine the information obtained from Producers and/or distributors in the form of general statistical studies or data. The Secretary hereby agrees to issue regulations and prescribe penalties to be imposed in the event of any violation of the confidences or trust imposed hereby.

- (7) The standard governing the production, receiving, transportation, processing and the distribution of fluid milk shall be those established pursuant to or in accordance with the Health Ordinances of the City of St. Louis, Missouri, except that in any county or municipality of the said St. Louis Sales Area where Health Ordinances or laws are in full force and effect such health ordinances or regulations shall govern.
- (8) The schedule of fair practices set forth in Exhibit "D" which is attached hereto and made a part hereof shall be the schedule of fair practices for the St. Louis Sales Area. Exhibit "D" may be changed by agreement of 75% of the contracting distributors, such percentages to be measured by the volume of fluid milk distributed, provided that any change shall become effective only upon the written approval of the Secretary.
- (9) This agreement shall be effective at such time as the Secretary may declare above his signature attached hereto; and this agreement shall continue in force until the last day of the month following the aforesaid effective date and thereafter from month to month, except that:
- (a) the Secretary may (and upon request of 75% of the contracting producers or upon request of 75% of the contracting distributors, such percentages to be measured by the volume of milk marketed or fluid milk distributed, respectively, the Secretary shall) by press release or other notice as the Secretary may determine, given on or before the 20th day of any month, terminate this agreement as of the end of such month:
- (b) the Secretary may, for good cause shown, as of the end of any month, terminate this agreement as to any party signatory hereto by notice in writing deposited on or before the 20th day of such month in the registered mails and addressed to such party at the address of such party on file with the Secretary;
- (c) this agreement shall, in any event, terminate whenever the President or Congress shall terminate the provisions of the Act which authorizes this agreement.
- (10) The benefits, privileges and immunities conferred by virtue of this agreement shall cease upon its termination except with respect to acts done prior thereto; and the benefits, privileges and immunities conferred by virtue of this agreement upon any parties signatory hereto shall cease upon its termination as to such party except with respect to acts done prior thereto.
- (11) The contracting producers and the contracting distributors shall use their best efforts to assure the observance of the terms and conditions of this agreement by such producers and distributors, subject to such regulations as the Secretary may prescribe. The contracting producers and the contracting distributors shall establish such agency or agencies as are necessary to -- (a) receive

complaints as to violations by any contracting producer or contracting distributor of the terms or conditions of this agreement; (b) adjust disputes arising under this agreement between contracting producers and/or contracting distributors; (c) make findings of fact which may be published; (d) issue warnings to such persons; and (e) take such lawful measures as may be appropriate; and such agency or agencies, if it or they deem it necessary, shall report its findings and actions with respect thereto to the Secretary for appropriate proceedings under the Act.

- (12) This agreement may be executed in multiple counterparts which, when signed by the Secretary, shall constitute, taken together, one and the same instrument as if all such signatures were contained in one original.
- (13) After this agreement first takes effect, any producer or association of producers of milk for consumption as fluid milk or any distributor of fluid milk may become a party to this agreement if a counterpart thereof is executed by him and by the Secretary. The agreement shall take effect as to such producer or distributor at such time as the Secretary may declare above his signature attached to such counterpart, and the benefits, privileges, and immunities conferred by this agreement shall then become effective as to such producer or distributor.
- (14) The contracting distributors hereby apply for and consent to licensing by the Secretary, subject to Milk Regulations Series 1 and General Regulations Series 3 of the Agricultural Ad justment Administration, together with the amendments thereto, prescribed by the Secretary and approved by the President and subject to the terms and conditions not inconsistent with the purpose and effect of this agreement and not otherwise.
- (15) Nothing herein contained shall be construed in derogation of the rights of the Secretary to exercise any powers granted him by the Act and in accordance with such powers to act in the premises whenever he deems it advisable.
- (16) Contracting distributors agree that they will purchase all the milk (provided it meets all the health requirements provided for in this agreement) produced by all producers in the St. Louis Production Area with established bases. This section shall become operative whenever, Milk Industry Board or the Secretary shall determine that public necessity so requires.
- (17) The Secretary shall have the right to name any person to act as his agent in connection with any of the provisions herein to be performed by the Secretary.

IN WITNESS WHEREOF, the contracting producers and the contracting distributors, by their duly authorized agent, acting under the provisions of the Agricultural Adjustment Act for the purposes and within the limitations herein contained and not otherwise, have hereunto set their respective hands and seals.

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WHEREAS it is provided by Section 8 of the Act as follows:

"Sec. 8. In order to effectuate the declared policy, the Secretary of Agriculture shall have power - -

"(2) To enter into marketing agreements with processors, associations of processors, and others engaged in the handling, in the current of interstate or foreign commerce, of any agricultural commodity or product thereof, after due notice and opportunity for hearing to interested parties. The making of any such agreement shall not be in violation of the anti-trust laws of the United States, and any such agreement shall be deemed to be lawful; Provided, That no such agreement shall remain in force after the termination of this Act;" and

WHEREAS due notice and opportunity for hearing to interested parties has been given pursuant to the provisions of this Act and the Regulations issued thereunder: and

WHEREAS it appears, after due consideration, that this is a marketing agreement between the Secretary and persons engaged in the handling of milk and its products within the meaning of said Section in the current of interstate commerce and effectuates the declared policy of the Act; and

WHEREAS it appears, after due consideration, that the aforesaid marketing agreement will tend to effectuate the policy of Congress set forth in Section 2 of the Act in that such marketing agreement will:

- (a) Establish and maintain such balance between the production of milk in the St. Louis Production Area and the consumption of such milk and its products in the St. Louis Sales Area and such marketing conditions therefor as will reestablish prices to the producers thereof at a level that will give such agricultural commodity a purchasing power with respect to articles that farmers buy, equivalent to the purchasing power of such agricultural commodity in the base period as defined in Section 2 of the Act; and
- (b) Approach such equality of purchasing power by gradual correction of the present inequalities therein at as rapid a rate as is possible in view of current consumptive demand in domestic and foreign markets; and
- (c) Protect the consumers (interest by retaining the production of such agricultural commodity at such level as will not increase the percentage of the consumers retail cost for such agricultural commodity or products derived therefrom which was returned to the farmers above the percentage which was returned to the farmers in the pre-war period August, 1909-July 1914; and

WHEREAS I herewith give notice that

- (1) The terms and conditions of this Agreement are agreed to as reasonable only in the light of conditions now prevailing in the St. Louis Production Area and are not to be regarded as a precedent for marketing agreements for other milk sheds or for future marketing agreements for the St. Louis Production Area; and
- (2) The Secretary reserves the privileg e of approving a blanket marketing agreement pursuant to Section 8(2) of the Act for all milk sheds, which blanket

marketing agreement may make specific modifications for any particular designated milk shed to conform to the conditions then prevailing in such specific milk shed;

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EXHIBITS TO AGREEMENT

EXHIBIT A

RULES FOR MILK PRODUCTION PRICES AND AMOUNT

1. PRICES TO BE PAID PRODUCERS:

- (1) For the purpose of determining the price to be paid to producers, milk purchased by distributors shall be classified as follows:
- CLASS I. That amount of milk, (commercial milk and special grades of milk) which the distributor sells for consumption as milk through retail and wholesale channels, excepting milk sold or used for manufacturing purposes. Provided, however, that if the total sales of any distributor of milk in Class I. are a less percentage of total deliveries to such distributor than the difference between (1) the percentage which total sales of Class I. milk of all contracting distributors are of the total deliveries of milk to all contracting distributors (hereinafter referred to as the market percentage), and (2) the percentage tolerance of 15%, then Class I. sales of such distributors shall be that quantity which would make the total milk for which said distributor must account and pay as Class I. milk, the same percentage of all deliveries to such distributor as the percentage represented by the difference between the said market percentage and the percentage tolerance.
- CLASS II. An amount of milk up to or equal to the amount to be paid or accounted for as Class I.
 - CLASS III. The balance of the milk purchased by the distributor.
- (2) The prices to be paid producers for the several classes of milk shall be as follows:
- CLASS I. \$1.945 per cwt. for milk of 3.5% butter fat content, subject to a butter fat differential of 3¢ per 1/10th of 1% butter fat content below or above 3.5%.
- CLASS II. The price per cwt. for milk of 3.5% butter fat content shall be 3-1/2 times the average wholesale price of 92 score butter at Chicago for the month of delivery of the milk plus 20% of such resulting figure plus 15¢ per cwt.; such total to be adjusted by the butter fat content differential specified with reference to Class I. milk.
- CLASS III. The price per cwt. for milk of 3.5% butter fat content shall be 3-1/2 times the average wholesale price of 92 score butter at Chicago, for the month of delivery of the milk plus 15¢ per cwt.; such total to be adjusted by the butter fat content differential specified with reference to Class I. milk.

However, for and during the month of October, 1933, the minimum price for Class II. milk shall be \$1.20 per cwt., but if the average wholesale price of 92 score butter at Chicago for the month of October, 1933, exceeds 25ϕ a pound, the price per cwt. shall be 3-1/2 times the average wholesale price of 92 score butter at Chicago for the month of October, 1933, plus 20% of such

resulting figure plus 15ϕ per cwt. Such price to be adjusted by the butter fat content differential specified with reference to Class I. milk.

And for and during the month of October, 1933, the minimum price of Class III. milk shall be \$1.025 per cwt., but if the average wholesale price of 92 score butter at Chicago for the month of October, 1933, exceeds 25ϕ a pound, the price per cwt. shall be 3-1/2 times the average wholesale price of 92 score butter at Chicago for the month of October, 1933, plus 15ϕ per cwt. Such price to be adjusted by the butter fat content differential specified with reference to Class I. milk.

- (3) (a) All prices to producers for milk are gross, delivered to the distributor's principal distributing plant in the city of St. Louis or St. Louis or St. Louis or St. Charles Counties, Missouri; or St. Clair or Monroe Counties, Illinois, from where the distributors retail and wholesale routes are loaded.
- (b) The production area shall be divided into zones. The first zone shall be the area within an airline radius of fifty miles measured from the City Hall in St. Louis, Missouri. The price f.o.b. country stations for Class I-II and III Milk in the first zone shall be 15ϕ per cwt. less than the price stated in paragraphs (2) and (3a) hereof.
- (c) Each ten miles additional beyond the first zone measured from the City Hall in St. Louis, Missouri, shall constitute another zone, and the prices for Class I and Class II milk f.o.b. country stations in each additional zone shall be $2-1/2\phi$ per cwt. less than the price f.o.b. country stations in the next preceding zone and the price for Class III Milk in the first zone shall apply to all zones.
- (4) The contracting distributor agrees to pay for milk purchased by him on or before the 15th day of the month next succeeding the month of delivery of the milk.
- (5) Contracting distributors shall have and maintain a credit standing sufficient to guarantee payments for milk when due to producers. If any contracting distributor has not, within the time or times provided in this agreement, paid to the producers (1) the amount owed for milk purchased by such distributors, or (2) paid to Sanitary Milk Producers, Inc. and/or Milk Industry Board, the amount respectively due to such organizations under the terms hereof, or (3) paid to the Milk Industry Board the amount due to the equalizing fund, then in the case of producers members of the Sanitary Milk Producers. Inc., Sanitary Milk Producers, Inc., shall have the right and privilege to refuse to sell and deliver milk to such distributors, and in the case of non-members of Sanitary Milk Producers, Inc., each such producer shall have the individual right to refuse so to sell and deliver.

Whenever Sanitary Milk Producers, Inc. or Milk Industry Board shall have knowledge that any contracting distributor has failed to make payments in the manner aforesaid, the one having such knowledge shall immediately notify the other organization and of the circumstances thereof.

(6) The contracting distributors agree and consent that Sanitary Milk Producers, Inc. for its members and the Milk Industry Board for producers not members of the Sanitary Milk Producers, Inc., shall be privileged (a) to employ a recognized firm of certified Public Accountants to audit and verify pounds

purchased and pounds sold by the distributors in the various classes, by sending said accountants to the offices and plants of the contracting distributors during the usual hours of business; and by their agents (b) to enter the contracting distributor's plants or stations for the purposes of check testing butter fat tests and weights of members of the Sanitary Milk Producers, Inc. and producers who are not members of said Sanitary Milk Producers, Inc.

Such audit, if ordered by either, shall be made for both the Sanitary Milk Producers, Inc. and the Milk Industry Board, and the expense thereof shall be borne by said organizations in proportion to the entire volume of milk purchased by distributors from members of the Sanitary Milk Producers, Inc. and by distributors from producers who are not members of the Sanitary Milk Producers, Inc.

(7) Each of the contracting producers agrees to sell his entire production of milk to the contracting distributor to whom he sells his base with the exception of milk required on the producer's farm, and the distributor buying such base shall agree to purchase all of said producers milk.

8. EQUALIZING FUND.

For the purpose of equalizing payment of Class I, II, and III milk to contracting producers and equalization fund shall be established and operated by Milk Industry Board.

On or before the 7th day of each month each contracting distributor shall submit to Milk Industry Board, on and in accordance with forms furnished by said Board, the following data for the previous month's operations of said contract distributors:

- (a) The total amount of milk delivered by said producers to said contracting distributors.
- (b) The total amount of milk used by such distributor as Class I (without regard to the adjustment provided for under the definition of Class I milk).
- (c) Beginning with the month of December, 1933, the total deliveries of base milk of each producer applying such distributor and the total deliveries of each such producer in excess of delivered bases.
- (d) Such other information as Milk Industry Board may deem useful for the operation of the equalizing fund.

For the months of October and November, 1933, the Milk Industry Board shall compute the equalizing fund in the following manner:

- (1) Calculate the total amount of deliveries by producers to all contracting distributors.
- (2) Calculate total amount of milk used by contracting distributors as Class I.
- (3) Divide the result arrived at in (2) above, by the result arrived at in (1) above. The resulting figure will constitute the market percentage.

- (4) Perform the same operation in respect to deliveries in Class I sales of each contracting distributor. This will give a percentage of Class I. sales to deliveries for each contracting distributor.
- (5) Make the necessary adjustments in case of any distributor falling within the proviso referred to herein in the definition of Class I. milk by adding the necessary quantities of the Class I sales of such distributor. The result of the foregoing adjustment will be to give each contracting distributor a correct quantity of milk to be accounted for in Class I, and a revised total quantity of all Class I sales of contracting distributors.
- (6) Divide the total quantity of all deliveries to contracting distributors by the total quantity to be accounted and paid for as Class I milk (viz. Class I sales plus quantities, if any, as a result of the foregoing adjustment.) The resulting figure will be the percentage each contracting distributor will apply against the total deliveries of each producer supplying him to determine the quantity for which each such distributor shall pay such producer at the fixed Class I price, subject to zoning differentials, butter fat differentials and grade A premiums if any.
- (7) The percentage to be applied in order to determine the percentage of total deliveries of each producer to any contracting distributor to be paid for at Class II prices shall be either (a) the difference between 100% and the Class I percentage, or (b) a percentage equal to the Class I percentage whichever of the two shall be the smaller.
- (8) The amount to be accounted for to each producer by any contracting distributor in the Class III price shall be (a) 100% less (b) double the Class I. percentage.

For the month of December 1933, and for each month thereafter Milk Industry Board shall compute the equalization fund as follows:

- (1) Calculate the total amount of deliveries by producers to all contracting distributors.
- (2) Calculate total amount of milk used by contracting distributors for Class I. purposes.
- (3) Divide the result arrived at in (2) above, by the result arrived at in (1) above. The resulting figure will constitute the market percentage.
- (4) Perform the same operation in respect to deliveries in Class I. sales of each contracting distributor. This will give a percentage of Class I. sales to deliveries for each contracting distributor.
- (5) Make the necessary adjustments in case of any distributor falling within the proviso referred to herein in the definition of Class I. milk by making the adjustment hereinabove provided. The result of the foregoing adjustment will be to give each contracting distributor a correct quantity of milk to be accounted for in Class I, and a revised total quantity of all Class I, sales of contracting distributors.
 - (6) Take the total amount of Class I sales adjusted as aforesaid.

- (7) Add together the delivered base quantities of all producers delivering to contracting distributors.
- (8) Divide the result obtained in item (7) into the result obtained in item (6). The resulting figure will give the percentage to be applied against the delivered bases of each producer to determine the quantity of milk delivered by him to be accounted and paid for at the fixed class I. price subject to the zoning differentials, butter fat differentials and grade A premiums if any.
- 9. In order to determine the amount to be paid to each producer at the Class II price deduct from the total deliveries of such producer the quantity to be paid for at the Class I price as aforesaid. If this balance be less than the amount paid for at Class I price, the Class II price shall be paid on such balance. If such balance exceeds an amount equivalent to the quantity on which the Class I price shall be payable, Class II price shall be paid only on an amount equivalent to the Class I quantity, and the Class III price shall be paid on any excess.

In as much as various factors (such as producers delivering under their bases and the adjustment in the case of distributors whose sales in Class I require adjustment, and the relationship of total bases to total sales and/or total deliveries) may cause in any particular month the total payments to be made by contracting distributors for Class I. Class II and Class III milk to exceed the total payments due to producers for Class I. Class II and Class III milk determined with reference to their respective bases a surplus may thereby be found to exist in the equalizing fund. In such event such excess shall be distributed to the producers as an additional payment Class II milk pro rata on the following basis: Each producer shall receive that proportion of the excess which the quantities in respect of which he is entitled to receive Class II price bears to the total quantities of milk of all producers entitled to receive Class II prices.

Milk Industry Board shall report to each contracting distributor the quantities for which he must account for at Class I, Class II and Class III prices respectively and shall also report to each contracting distributor the amount which he should pay to each and all of the producers supplying him at Class I, Class II, and Class III prices, including any excess payment in respect to Class II, such reports shall be furnished by Milk Industry Board to contracting distributors not later than the 9th of each month.

The amounts so reported by Milk Industry Board shall fix and determine the amounts which each contracting distributor shall be obligated to pay to the producers supplying him and the amount which he is obligated to pay to Milk Industry Board for account of the equalizing fund or receive from the equalizing fund as the case may be.

Every contracting distributor whose payments to producers are less than the amount for which he is accountable for to the equalizing fund, shall on making payment to his producers pay the difference to Milk Industry board for the account of the equalizing fund. Every distributor whose payments to producers are in excess of the amount which he owes to the equalizing fund, shall upon making payment to his producers be entitled to receive from the equalizing fund the difference between said payments due to producers and the amount which he is obligated to account for to the equalizing fund.

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Milk Industry Board shall have the right to make such additional rules and regulations for the equitable operation of the equalizing fund as it may deem desirable, it being understood that the purpose and intent of the equalizing fund is that the gross cost to the contracting distributor for all milk received by him for any month after the equalizing fund has adjusted amounts to be paid to producers, and the contracting distributors have paid or received balances, shall be the prices set forth in Exhibit "A" herein (subject to adjustments on account of zone differentials, on account of butter fat content, and grade "A" premiums) for the respective quantities sold or to be accounted for at Class I, Class II and Class III prices as set forth in the first paragraph of this Exhibit "A".

If any distributor fails to make the report to Milk Industry Board within the time and in the manner as herein provided, the pool shall be figured without taking into account deliveries to such distributor or his sales, but such contracting distributor shall be considered in default and shall thereupon become obligated to Milk Industry Board to pay at Class I price for the full amount of the deliveries to him as Milk Industry Board may determine from the best information obtainable. Milk Industry Board, shall, out of moneys thus received pay the producers supplying such distributor. Class I, Class II and Class III prices as the same may have been determined by Milk Industry Board for the market as a whole. The excess shall be an additional amount available for Class II milk in the current month.

In order to insure the solvency of the equalizing fund and to insure to contracting distributors, to members of Sanitary Milk Producers, Inc., and other contracting producers the full amounts due to them of which amounts payments through the equalizing fund are an integral part, each contracting distributor agrees that he will furnish security in form of cash, bonds of the United States of America, or a surety bond with good and sufficient security satisfactory to Sanitary Milk Producers, Inc. and Milk Industry Board, in an amount equal to 20% of said distributors milk purchases for the month preceding the effective date of this agreement. Said bond or other security shall be for the purpose of securing the due and proper payments of each contracting distributor of any amount which he may owe to the Milk Industry Board for the account of the equalizing fund. If security be given in the form of a bond, said bond shall be in form satisfactory to Sanitary Milk Producers Inc. and Milk Industry Board.

Sanitary Milk Producers, Inc. guarantees the solvency of the equalizing fund to contracting distributors to the percent of milk furnished by members of Sanitary Milk Producers, Inc., and the Milk Industry Board guarantees to distributors on a percentage basis similarly calculated. Foregoing percentages are to be determined for the month in respect to which unpaid obligations to the equalizing fund by distributors may exist. Any sums which Milk Industry Board may be obligated to pay under this paragraph shall be a charge against the funds which it has collected from non-member producers according to provisions of Paragraph 4 under and pursuant to this agreement.

Whenever any distributor shall fail to pay when due the amount owing by said distributor to the equalizing fund then Sanitary Milk Producers, Inc. and Milk Industry Board shall contribute to the equalizing fund according to the percentage of the guarantee sufficient funds to meet promptly the payment of members of the equalizing fund of the amounts due and owing because of the said distributor's failure to pay. All payments to or by the equalizing fund, or to producers in connection with the operation of the equalizing fund, are based upon the gross prices of the several classes of milk, f.o.b. delivered

to distributor's principal distributing plant from whence the distributors retail and wholesale routes are loaded. Each contracting distributor shall make the necessary adjustment to his producers for butter fat differential, zone differential and grade "A" premiums if any.

The expenses of operation of the equalizing fund shall be computed as soon as practicable by Milk Industry Board at the end of each and every month and shall be divided between Sanitary Milk Producers, Inc. and Milk Industry Board in proportion to the quantities of milk delivered by members of Sanitary Milk Producers, Inc. and non-member producers during said month. Sanitary Milk Producers, Inc. agrees to pay Milk Industry Board its proportion of the expenses of operating the equalizing fund as so determined and Milk Industry Board will be entitled to reimburse itself out of the payments made in respect to non-member producers pursuant to paragraph 4 of this agreement for the proportion which is properly chargeable against such non-member producers.

EXHIBIT B.

RULES FOR CONTROL OF BASIC PRODUCTION.

1. ESTABLISHMENT OF BASES:

In the purchase of milk by contracting distributors commencing December 1, 1933, the establishment of bases for producers shall be arrived at in the following manner:

- (1) General Bases. The base for each producer delivering milk on December 1, 1933 who was delivering milk on or prior to June 1, 1933, shall be determined as follows:
- (a) Compute the total production of milk sold to the distributors for the months of June, July, August, September, October and November, 1933.
- (b) Compute the actual sales of Class I. milk by the distributors in the months of June, July, August, September, October and November, 1933.
- (c) Divide the six months' sales pounds (b) by the six months' production pounds (a).
- (d) The resulting percentage when multiplied by the average of the six months' production of each individual producer will give a certain number of pounds. This result will be the individual producer's base.
- (2) Producers starting after June 1, 1933 and on or prior to November 1, 1933. The base for each producer delivering milk on December 1, 1933, who started making deliveries after June 1, 1933, but not later than November 1, 1933, shall be determined by multiplying the percentage arrived at under sub-paragraph (c) of paragraph 1 hereof by the monthly average of the production of each such producer for the number of full calendar months included within the period during which such producer has made deliveries.
- (3) Producers starting between November 2nd, 1933, and November 16th, 1933, both days inclusive. The base for each producer delivering milk on December 1, 1933, who started to make deliveries between November 2 and November 16, 1933, shall be determined by applying the percentage arrived at in sub-paragraph (c) of paragraph 1 hereof to the deliveries of each such producer between November 16, 1933 and November 30, 1933, both days inclusive and multiplying by two.
- (4) New Producers. A new producer for the purpose of this paragraph is a producer who did not start making deliveries on or prior to November 16, 1933, or any producer who has lost a previous existing base as provided in the rules hereinafter set forth. Each such new producer shall receive as a base a percentage arrived at as follows: Determine the percentage of Class I. sales for the first full calendar month in which such producer ships to total deliveries in the same month and divide the resulting percentage by four, applying the result thereof to the deliveries of such producer during such full calendar month. If a producer begins deliveries any other time than the first day of a month he shall receive Class III price for his deliveries during the balance of the first month he ships,

and shall begin establishing his base as of the first day of the next succeeding month. He shall retain the base so established for a period of at least one year thereafter, and shall not be entitled to share in any general re-allocation of bases during such period.

- (5) An established base may be transferred with an entire herd where sale and transfer is made to one party in one transaction, provided, such herd shall be maintained for six (6) months consecutively thereafter on the first farm on which such herd shall be established after such transaction.
- (6) If a producer is transferred from one distributor to another, the producer shall retain his established base.
- (7) Where a herd is dispersed for any reason without a transfer of its established base, the producer must replace the herd within sixty (60) days if such established base is to be retained by the producer.
- (8) A producer with an established base who, as a tenant, rents a farm, may retain his established base.
- (9) Where cattle are owned jointly the base shall be divided according to the ownership of the cattle.
- (10) Unless by mutual consent between Sanitary Milk Producers, Inc., and the individual distributor to whom the producer is shipping, a producer member of Sanitary Milk Producers, Inc., will not be permitted to transfer from one distributor to another.
- (11) Any producer who shall voluntarily cease to ship milk for a period of more than forty five (45) days shall upon resuming production be treated for the purposes hereof as a new producer, provided no new base made by such producer shall exceed his original base for a period of one year after he resumes deliveries.

EXHIBIT C

PRICE SCHEDULE FOR CONTRACTING

DISTRIBUTORS' SALES

- (A) Sales of the following articles in the St. Louis Sales Area made by Contracting Distributors shall be at the price hereinafter in this Exhibit set forth. Sales of the following articles in containers shall be made only in containers of the sizes and types specified, and where a grade and/or percentage of butter fat content is specified, only at the specified grade and/or percentage of butter fat.
- (B) It shall not be deemed a violation of this agreement to add to the selling price of any article or articles hereinafter in this Exhibit specified, any processing tax sales or occupational taxes imposed by law, if not prohibited by such laws, but any such additions shall be uniform as to all Contracting Distribu-

tors with such regulations as the Secretary may prescribe not in conflict with local law.

- I. Wholesale Price Schedule. This schedule shall apply to the sale of the following articles to Hospitals, Institutions, Hotels, Restaurants, Stores, Peddlers, Schools, etc.:
- 1. MILK BULK:
 3.7 3.8% butter fat content

 32¢ per gallon in lots of 8 gallons or more per day.

 34¢ per gallon in lots of less than 8 gallons.
- 2. MILK BOTTLE:3.7 3.8% butter fat content

 9ϕ quarts 6ϕ pints $4 1/2\phi$ 1/3 quarts $3 1/2\phi$ 1/2 pints

3. SKIM MILK - BULK:-

20¢ per gallon

4. BUTTERMILK - SKIM:-

 24ϕ gallons 8ϕ quarts 6ϕ pints $3 1/2\phi$ 1/2 pints $4 1/2\phi$ 1/3 quarts

5. BUTTERMILK - BOTTLE:-

Cream or churned buttermilk:

10¢ quarts 7¢ pints 3 1/2¢ 1/2 pints 5¢ 1/3 quarts

Cultured Whole Milk Buttermilk:

 14ϕ quarts 9ϕ pints 5ϕ 1/2 pints 7ϕ 1/3 quarts

6. CHOCOLATE OR COCOA DRINK - BOTTLE:-

 13ϕ quarts 8ϕ pints 4ϕ 1/2 pints 5ϕ 1/3 quarts

7. CREAL - BOTTLE:-

45¢ quarts 26¢ pints 13¢ 1/2 pints 8¢ 1/4 pints 34%

64¢ quarts 36¢ pints 20¢ 1/2 pints

8. CREAM - BULK:-

 6ϕ per point in quantities of 5 gallons or over; $6~1/2\phi$ per point in quantities of less than 5 gallons.

In quart containers:

15% - quarts 28¢ 18% - quarts 34¢ 24% - quarts 45¢ 34% - quarts 64¢

Note:

If cream is of other percent of butter fat than those stated above the price shall be 7 $1/2\phi$ per point calculated to the nearest whole cent.

Sour Cream: 20%

\$1.30 per gallon
70¢ per half gallon
13¢ ten ounce jar or carton

9. CHEESE:-

Dry Cottage:

60¢ per gallon 35¢ per half gallon 25¢ per quart 13¢ sixteen ounce jar or carton

Cream Cottage Cheese:

\$1.20 per gallon

65¢ per half gallon

13¢ eight ounce jar or carton

13¢ ten ounce jar or carton

Viscolized Cheese:

\$1.50 per gallon 80ϕ per half gallon 13ϕ ten ounce jar or carton

Baker's Cheese:

 60ϕ per gallon 35ϕ per half gallon

10. GRADE A MILK:-

4.3 - 4.5% butter fat:

 12ϕ quarts 8ϕ pints 5ϕ 1/2 pints 6ϕ 1/3 quarts

GRADE A VITAMIN D:-

By irredation or direct addition

3.7 - 3.8% butter fat $13\phi \text{ quarts}$ $9\phi \text{ pints}$

11. CERTIFIED:-

22¢ quarts 12¢ pints

12. VITAMIN D CERTIFIED:-

24¢ quarts 14¢ pints

II. RETAIN PRICE SCHEDULE

13. MILK - BOTTLED:-

3.7 - 3.8% butter fat content:

ll¢ quarts, except that if sale is made upon the order of any one of the following Relief Agencies, the price shall be only 10 1/2¢ a quart: St. Louis Provident Association; Jewish Charities; St. Vincent de Paul Society; Community Fund; St. Louis County Welfare Association; Red Cross; Catholic Charities; Illinois Emergency Relief Commission, and such other Charities and Relief Agencies recognized by the Agency established as provided in Paragraph 11, Page 10 hereof.

 7ϕ pints 5ϕ 1/2 pints

14. GRADE A MILK:-

4.3 - 4.5%butter fat content:

 15ϕ quarts 10ϕ pints

GRADE A VITAMIN D

By Irradiation or Direct Addition - 3.7 - 3.8% butter fat content: 15¢ quarts 10¢ pints

15. CERTIFIED:-

 23ϕ quarts 13ϕ pints

16. <u>VITAMIN D</u>:-

Certified:

 25ϕ quarts 15ϕ pints

17. BUTTERMILK - BOTTLED:-

Skim:

10¢ quarts 7¢ pints

18. CREAM OR CHURNED BUTTERMILK:-

12¢ quarts 8¢ pints $6\phi 1/2$ pints

 $7\phi 1/3$ quarts

19. CULTURED WHOLE MILK BUTTERMILK:-

16¢ quarts

10¢ pints

 $7 \neq 1/2$ pints

 $8\phi 1/3$ quarts

20. CHOCOLATE OR COCOA DRINK - BOTTLED:-

15¢ quarts

 9ϕ pints

 $5\phi \frac{1}{2}$ pints

 $6\phi 1/3$ quarts

21.

60¢ quarts

30¢ pints

 15ϕ 1/2 pints

 $9\phi 1/4$ pints

80¢ quarts

40¢ pints

 22ϕ 1/2 pints

SOUR CREAM:-22.

15¢ ten ounce jar or carton

\$1.50 per gallon

75¢ per half gallon

23. CHEESE:-

Dry Cottage:

 15ϕ sixteen ounce jar or carton.

CREAM COTTAGE CHEESE: 24.

15¢ 8oz. jar or carton

15¢ 10 oz. jar or carton

VISCOLIZED CREAM CHEESE: 25.

 15ϕ 10 oz. jar or carton

EXHIBIT D

RULES OF FAIR PRACTICES

for ST. LOUIS SALES AREA

The following practices are considered unfair and shall not be engaged in by contracting distributors or by their officers, employees, or agents:

- l. Any method or device whereby fluid milk is sold or offered for sale at a price less than stated in the Agreement, whether by any discount, rebate, free service, merchandise, advertising allowance, credit for bulk fluid milk returned, loans or credit outside the usual course of business, or other valuable consideration, or combined price for such milk, together with another commodity sold or offered for sale, whether separately or otherwise, or whereby a subsidy is given for either business or information or assistance in procuring business.
- 2. To give, loan, sell or furnish electric refrigerator or ice box or ice. Ice carried on route must be chipped or crushed. Ice boxes already in the hands of customers owned by a distributor is not a violation of this paragraph. In the event of transfer of a customer to another distributor, the old distributor must sell such ice box to the new distributor at a price not to exceed its value new, less 10% per annum for depreciation.
- 3. To use any container, bottle, or device, or to sell or offer for sale any beverage including fluid milk which is controlled by a patent or copyright and which is not available for use generally under the same terms and conditions, without first securing the approval of Milk Industry Board or the Secretary, after thirty days public notice, unless the same is now used, owned and controlled exclusively by the distributor.
- 4 (a) To use any container or other receptable on which is blown, stamped or otherwise permanently marked the name, mark or device of any other distributor, except that in an emergency and with the approval of the Agency provided paragraph eleven, page 10, of the Marketing Agreement, a distributor may use plain bottles.
- (b) To sell fluid milk in bottles or other receptacles except in those on which there shall be blown or otherwise noted the sellor's name, and said bottle shall be sealed with caps likewise bearing seller's name.

The provisions of the foregoing paragraph 4 shall not be construed to apply to stores or to persons reselling for consumption on the premises where sold.

- 5 (a) To hire an employee while in the employ of another or to place an employee in a territory, which within one year previously, he had covered for another distributor.
- (b) To sell either for himself or as agent for another in a territory which within one year previously had been covered by him in any capacity for another.

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EXHIBIT E

Contracting producers and contracting distributors undertake to organize the Milk Industry Board.

- 1. The members of Milk Industry Board shall be:
 - E. B. Tiedeman Belleville, Illinois.
 - A. D. Lynch Clayton, Missouri.
 - J. Wm. Hagemeyer St. Louis, Missouri.
 - B. M. Lide, Jr. University City, Missouri.
 - W. R. England Hematite, Missouri.

Said persons shall file with the Secretary an acceptance in writing of their appointment.

Term of office of said members shall be until January 1, 1935, or until their successors shall be duly appointed and qualified. In the event of death, resignation, or other inability to act of any member, their successors shall be appointed as follows:

In the case of successors to Mr. Tiedeman and Mr. Lynch their successors shall be appointed by 51% of the contracting producers, such percentage to be determined by volume of malk delivered in the preceding month.

Successors to Mr. Hagemeyer and Mr. Lide shall be selected by 51% of the contracting distributors, such percentage to be measured by volume of Class I sales in the St. Louis Sales Area during the full calendar month preceding any such appointment.

The successor to Mr. England shall be selected by the vote of the other four members, but such successor shall not be a contracting distributor nor a member, officer or agent of Sanitary Milk Producers, Inc.

All such appointments shall be valid with the written approval of the Secretary.

Milk Industry Board shall have the right to establish rules and regulations governing its proceedings and the constitution of a quorum. In taking action upon any matter by wote, each member or successor thereof, shall have one half vote each, except that Mr. England and any successor of Mr. England shall have a full vote.

- 2. Powers of Milk Industry Board. In addition to the powers given to Milk Industry Board for the operation of the equalizing fund as provided in Exhibit "A", Milk Industry Board shall have the following powers:
- (1) To employ such agents, assistants, and clerks as may be necessary to perform its duties.
- (2) To perform such acts as may be necessary to secure to producers not members of Sanitary Milk Producers, Inc. the benefits which are to

be secured for such producers pursuant to paragraph 4 of this agreement.

- (3) To act as the agency of the Secretary for the purpose of assuring the observance of the terms and conditions of this agreement by contracting distributors and contracting producers and subject to such regulations as the Secretary may prescribe, to act in all matters set forth in said paragraph Eleven.
- (4) To perform such other duties as the contracting producers and the contracting distributors may, with the written approval of the Secretary devolve upon Milk Industry Board.
- (5) Either separately or conjointly with Sanitary Milk Producers, Inc. to examine the books and records, and make copies thereof, to check test butter fat tests, weights and to perform such other functions as Sanitary Milk Producers, Inc. is customarily performing on behalf of its member producers.
- (6) The members of Milk Industry Board shall serve without compensation, but shall be entitled to reimbursement for their expenses in performance of their duties under this agreement. Such expenses together with disbursements on account of wages and expenses of agents, clerks and assistants, and all other necessary and proper expenses shall be charged as follows:
- (a) Expenses incurred solely on account of producers not members of Sanitary Milk Producers, Inc., shall be charged against the separate fund held by Milk Industry Board for the benefit of non-member producers.
- (b) Expenses of operating equalizing fund shall be charged as provided in Exhibit "A".
- (c) Expenses of auditing books of contracting distributors whether made by Milk Industry Board or Sanitary Milk Producers, Inc. or by both together shall in any event be borne as provided in Exhibit "A".
- (d) Expenses of assuring the observance of the terms and conditions of this agreement shall be borne 75% by Sanitary Milk Producers, Inc., and 25% charged against the separate fund held by Milk Industry Board.
- (c) Promiums incurred in the obtaining of surety bonds as provided in Exhibit "A" hereof shall be borne by Milk Industry Board, and Milk Industry Board shall be reimbursed therefor to the extent of 75% thereof by Sanitary Milk Producers, Inc. and shall be entitled to charge against the separate fund kept by Milk Industry Board on behalf of non-member producers as to the remaining 25%.
- (f) The allocation of expenses by Milk Industry Board shall be final and conclusive.
- (g) Milk Industry Board shall render an accounting for the period ending December 31, 1933, and for each quarter there-after to the contracting parties hereto.

(h) All information obtained by Milk Industry Board shall be kept confidential by Milk Industry Board and shall not be disclosed to any person except the Secretary. Provided, however, that any contracting distributor shall be entitled to a copy of such information obtained by Milk Industry Board as relates solely to said distributor.

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Docket No. A-110 0-110

Notice of Hearing signed by the Secretary of Agriculture September 22, 1939

UNITED STATES DEPARTMENT OF AGRICULTURE DIVISION OF MARKETING AND MARKETING AGREEMENTS

PROPOSED AMENDMENTS TO THE TENTATIVELY APPROVED MARKETING AGRESMENT, AS AMENDED, AND TO ORDER NO. 3, AS AMENDED, REGULATING THE HANDLING OF MILK IN THE ST. LOUIS, MISSOURI, MARKETING AREA, UPON WHICH THE SECRETARY OF AGRICULTURE HAS ISSUED NOTICE OF HEARING UNDER THE AGRICULTURAL MARKET-ING AGREEMENT ACT OF 1937

The Sanitary Milk Producers has presented to the Secretary a petition for public hearing to amend Order No. 3, as amended, regulating the handling of milk in the St. Louis, Missouri, marketing area. The amendments proposed by producers as set forth below were submitted by such association of producers. Also set forth below are certain amendments proposed by handlers. The latter amendments were suggested jointly by the Fresh Milk Institute and the St. Louis Milk Distributors' Association. The Dairy Section proposes a relief milk price amendment.

The Agricultural Marketing Agreement Act of 1937 authorizes the Secretary of Agriculture, after due notice of and opportunity for hearing, to amend orders regulating the handling of milk which has been issued by the Secretary. On April 5, 1939, Order No. 3, as last amended, became effective. On March 10, 1939, the Secretary gave his tentative approval to a marketing agreement, as amended, regulating the handling of milk in the St. Louis, Missouri, marketing area, which marketing agreement, as amended, the handlers have failed or refused to sign.

In response to the petition of the above-named producers' association, the Secretary of Agriculture has issued notice of a hearing to be held at the Chase Hotel, St. Louis, Missouri, beginning at 10:00 a.m., c.s.t., October 3, 1939. At the above time and place opportunity will be given for interested parties to present evidence with respect to each of the proposed amendments, which are to be considered as applying alike to Order No. 3, as amended, and to the marketing agreement, as amended. tentatively approved March 10, 1939. It is suggested that the interests of each party will be best served by a concise presentation of relevant facts in his possession, which he feels the Secretary of Agriculture should have in the record of the public hearing upon which to base a decision regarding each of the proposed amendments, reserving his arguments for filing in written form at the close of the hearing. Handlers will have the opportunity to sign a marketing agreement embodying the same terms as Order No. 3, as anended, with such amendments as may be determined from this hearing. If upon the facts in the record the Secretary of Agriculture decides that he should amend Order No. 3, as amended, the content of such amendment will be made known to producers and their approval or disapproval of the amendment determined.

The proposed amendments upon which the hearing will be held are set forth below. Their publication in this form is for the convenience

of interested parties and is not to be considered as in any way signifying their approval by the Secretary of Agriculture.

Amendments proposed by producers

- l. Add as Sec. 903.1(a)(9) the following: "(9) The term 'emergency' means that period of time so designated by duly constituted officials acting under health regulations governing the production of milk for sale in the marketing area."
- 2. Add as Sec. 903.1(a)(10) the following: "(10) The term, emergency milk, means that milk which is disposed of as milk in the marketing area during an emergency under special permits issued by the proper health authorities."
- 3. Delete Sec. 903.3(c) and substitute therefor the following:
 "(c) Interhandler sales. Except in the case of emergency milk, any
 milk disposed of as milk by a handler to another handler shall be presumed to be Class I milk: Provided, That if such selling handler, on
 or before the date fixed for filing reports pursuant to Sec. 903.5,
 shall furnish proof satisfactory to the market administrator that such
 milk has been disposed of by the purchasing handler other than as Class
 I milk, then, and in that event, such milk shall be classified as Class
 II milk."
- 4. Delete Sec. 903.3(d) and substitute therefor the following: "(d) Source of Class I milk. The milk which was disposed of by each handler as Class I milk shall be that milk which was delivered to such handler at plants within and nearest to the marketing area."
- 5. Delete Sec. 903.4(c) and substitute therefor the following:

 "(c) Price adjustment. For each delivery period during which the total receipts of milk by handlers from producers, but not including emergency milk, exceed 29,000,000 pounds, as determined by the market administrator from reports submitted by handlers pursuant to Sec. 903.5(a), the prices set forth in paragraphs (a) and (b) of this section shall be reduced one cent per hundredweight for each one million pounds, or part thereof, of milk received by handlers from producers in excess of 29,000,000 pounds."
- 6. Delete Sec. 903.4(d) and substitute therefor the following:

 "(d) Sales outside the marketing area. The price to be paid by handlers for Class I milk disposed of outside the marketing area, in lieu of the price otherwise applicable pursuant to this section, shall be, as ascertained by the market administrator, such price as is being paid to farmers in the market where such milk was disposed of, for milk of equivalent use, subject to a measonable adjustment on account of transportation with respect to Class I milk moved from the handler's plant in the marketing area to the handler's plant outside the marketing area where such milk was loaded on wholesale and retail routes."

- 7. Add as Sec. 903.5(a)(6) the following: "(6) The receipts of each plant of emergency milk, listing the name and address of the source, the date on which the emergency permit was issued, the date on which such emergency milk was first received, and such other information in respect thereto as the market admiristrator may require."
- 8. Delete subdivision (e) of Sec. 903.5(e) and renumber subdivision (f) of Sec. 903.5(e) as subdivision (e) of Sec. 903.5(e).
- 9. Delete Sec. 903,7(a) and substitute therefor the following: "(a) Computation of the value of milk for each handler. For each delivery period the market administrator shall compute, subject to the provisions of Scc. 503.6, the value of mil's disposed of by each handler, which was not burchased or received from other handlers except in the case of emergency milk, by (a) apportioning the amount of emergency milk purchased or received by him to the hundredweight in Class I and Class II respectively, of milk purchased or received from producers according to the rates that the milk in Class I and Class II purchased or received from producers bears to the total amount of all such mill, (b) multiplying the resulting hundredweight of Class I milk disposed of in the marketing area by the Class I price, (c) multiplying the resulting total hundredweight of Class II milk by the Class II price, (d) adding together the resulting amounts, and (e) adding to the sum obtained in (d) of this paragraph an amount equal to the total value of Class I milk disposed of outside the marketing area, determined in accordance with Sec. 903.4(d),"
- 10. Delete Sec. 903.7(b)(3) and substitute therefor the following: "(3) Divide by the total quantity of milk represented by the value of milk determined in paragraph (a) other than the milk represented by the amount subtracted in subparagraph (2) of this paragraph."
- 11. Delete the phrase in Sec. 903.9 which reads "an amount not exceeding one cent per hundredweight" and substitute therefor the following: "an amount not exceeding 2 cents per hundredweight."

Amendments proposed by handlers

1. Delete Sec. 903.4(a)(1) and substitute therefor the following: "(1) In the case of milk received at such handler's plant located in the marketing area, a price per hundredweight which shall be calculated by the market administrator, as follows: Compute the current month's price for milk containing 3.5 percent butterfat in the manner set forth in section 1 of article VI of the marketing agreement and license for evaporated milk approved and issued by the Secretary May 31, 1935, and average said current month's price with the prices, similarly computed, for each of the eleven preceding calendar months and add to the result obtained 60 cents per hundredweight;

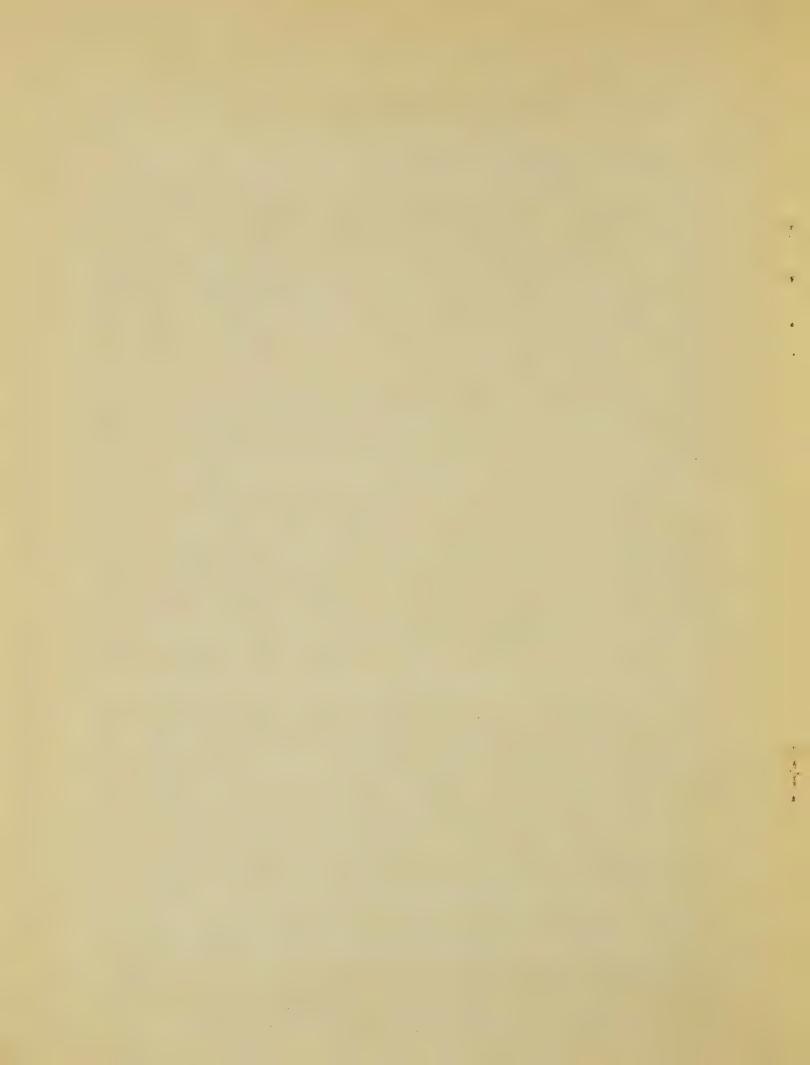
- "(1) In the case of milk received at such handler's plant located in the marketing area \$1.80 per hundredweight."
- 2. Delete Sec. 903.4(a)(2) and substitute therefor the following:
 "(2) In the case of milk received at such handler's plant located outside the marketing area the price for Class I milk as set forth in subparagraph (1) paragraph (a) of this section less the amount specified for the air line distance of such plant from the City Hall in St. Louis, as follows: Within 5 miles, 4 cents; more than 5 miles but not in excess of 10 miles, 8 cents; more than 10 miles but not in excess of 15 miles, 12 cents; more than 15 miles but not in excess of 20 miles, 16 cents; more than 20 miles but not in excess of 30 miles, an additional 2 cents; more than 30 miles but not in excess of 40 miles, an additional 2 cents; and for each additional 10 miles, in excess of 40 miles, and additional 1 cent."
- 3. Delete Sec. 903.4(b)(2) and substitute therefor the following:
 "(2) In the case of milk received at such handler's plant located outside the marketing area, the price calculated by the market administrator, pursuant to subparagraph (1) of this paragraph less the amounts specified in subparagraph (2) of paragraph (a) of this section, except on that portion of Class II milk which remains or is processed at such handler's plant outside the marketing area, in which case the deduction shall not exceed 15 cents per hundredweight."
- 4. Delete Sec. 903.4(c) and substitute therefor the following:

 "(c) Price adjustment. For each delivery period during which the total receipts of milk by handlers from producers exceed 25,000,000 pounds, as determined by the market administrator from reports by handlers pursuant to Sec. 905.5(a), the prices set forth in paragraphs (a) and (b) of this section shall be reduced one cent per hundredweight for each 1,000,000 pounds, or part thereof, of milk received by handlers from producers in excess of 25,000,000."
- 5. Delete Sec. 903.4(d) and substitute therefor the following:
 "(d) Sales outside the marketing area. The price for Class I milk and
 Class II milk as set forth in paragraphs (a) and (b) respectively of
 this section shall not apply to milk disposed of in such classes outside the marketing area. However, the market administrator, in computing
 the uniform price for each handler pursuant to Sec. 903.7, shall determine
 the value of such milk by applying the price per hundredweight which the
 handler has reported pursuant to section 903.5(e)."
- 6. Delete Sec. 903.5(e) and substitute therefor the following:
 "(e) Reports on milk sold outside the marketing area. Each handler shall report, on or before the 5th day after the end of each delivery period, disposition of Class I and Class II milk outside the marketing area as follows: (a) the amount of such milk, (b) the date or dates of such disposition, (c) the point of use, (d) the plant from which such milk was shipped, (e) the price per hundredweight to be paid for such milk, and (f) such other information with respect thereto as the market administrator may require."

- 7. Dolete Sec. 903.8(e)(2).
- 8. Add the following as paragraph (f) of Sec. 903.8: "(f) Harketing services. (1) Marketing service deductions. In making partions to producers pursuant to the following pursuances of this section each handler, with respect to all milk received from each producer during each delivery period, except as set forth in subparagraph (2) of this paragraph, shall deduct 3 cents per hundredweight, or such lesser amount as the market administrator shall determine to be sufficient, such determination to be subject to review by the Secretary, and shall, on or before the 13th day after the one of such colivery period, pay such acquetions to the market administrator. Such moneys shall be expended by the market administrator for verification of weights, samples, and tests of milk received from such producers and in providing for market information to such producers. The market administrator may contract with an association or associations of producers for the furnishing of the whole or any part of such services to, or with respect to the milk received from, such producers.
- "(2) Marketing cervice deductions with respect to members of producers' cooperative association. In the case of producers for whom a cooperative association which the Secretary determines to be qualified under the Act of Congress of February 18, 1922, as amended, known as the 'Capper-Volstead Act', is actually performing the services set forth in subparagraph (1) of this paragraph each handler shall, in lieu of the deductions specified in subparagraph (1) of this paragraph, make such deductions from payments made pursuant to the foregoing paragraphs of this section as may be authorized by such producers, and pay over on or before the 15th day after the end of each delivery period such deductions to the associations rendering such service of which such producers are members."
- 9. Delete Sec. 903.9(a) and substitute therefor the following:
 "(a) Payments by handlers. As his pro-rata share of the expense of the administration hereof, each handler, on or before the 15th day after the end of each delivery period, shall pay to the market administrator, with respect to all milk received by him from producers or an association of producers, or produced by him during such delivery period, an amount not exceeding 1/2 cent per hundredweight, the exact amount to be determined by the market administrator, subject to review by the Secretary. Each handler, who is a cooperative association of producers, shall pay such pro-rata shape of expense only on that milk received from producers at any plant of such association."

Amendment proposed by the Dairy Section

1. Add as a proviso after the semicolon in Sec. 903.4(a)(l):
"Provided, That, with respect to Class I milk disposed of by a
handler under a program approved by the Secretary for the sale or disposition of milk to low-income consumers, including persons on relief,
the price shall be \$1.74 per hundredweight."



UNITED STATES DEPARTMENT OF AGRICULTURE DIVISION OF MARKETING AND MARKETING AGREEMENTS WASHINGTON, D. C.

NOTICE OF HEARING WITH RESPECT TO A PROPOSAL TO AMEND THE TENTATIVELY APPROVED MARKETING AGREEMENT, AS AMENDED, AND ORDER NO. 3, AS AMENDED, REGULATING THE HANDLING OF MILK IN THE ST. LOUIS, MISSOURI, MARKETING AREA.

WHEREAS, pursuant to the authority conferred upon the Secretary of Agriculture under Public Act No. 10, 73d Congress, as amended, the Secretary issued an order regulating the handling of milk in the St. Louis, Missouri, marketing area, effective February 1, 1936, which order was amended effective April 17, 1936, April 1, 1937, and April 5, 1939; and

WHEREAS, the Secretary tentatively approved a marketing agreement regulating the handling of milk in the said area on December 10, 1935, amendments to which tentatively approved marketing agreement were tentatively approved on March 30, 1936, March 16, 1937, and March 10, 1939; and

WHEREAS, the Sanitary Milk Producers, the Fresh Milk Institute, the St. Louis Milk Distributors Association, and the Dairy Section, Division of Marketing and Marketing Agreements, United States Department of Agriculture, have proposed certain amendments to said order, as amended, and to said tentatively approved marketing agreement, as amended; and

WHEREAS, the Secretary has reason to believe that an amendment of said order, as amended, and of said tentatively approved marketing agreement, as amended, will tend to effectuate the declared policy of Public Act No. 10, 73d Congress, as amended and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937; and

WHEREAS, under the aforesaid act notice of hearing is required in connection with a proposal to amend an order, and the General Regulations, Series A, No. 1, as amended, of the Agricultural Adjustment Administration, United States Department of Agriculture, provide for notice of and opportunity for hearing upon amendments to marketing agreements and orders:

NOW, THEREFORE, pursuant to said act and general regulations, notice is hereby given of a hearing to be held on said proposals to amend the order, as amended, and the

tentatively approved marketing agreement, as amended, regulating the handling of milk in the St. Louis, Missouri, marketing area, at the Chase Hotel, St. Louis, Missouri, at 10:00 a.m., c.s.t., October 3, 1939.

This public hearing is for the purpose of receiving evidence as to the necessity for (1) pricing milk under a program approved by the Secretary for the distribution of milk to low-income consumers and persons on relief; (2) including provisions necessary to permit the special consideration of "emergency milk" in the pricing and pooling of milk; (3) revising the method of pricing Class I and Class II milk sold outside the marketing area; (4) revising the pricing of Class I milk; (5) including zone differentials to be applicable to Class II milk received at plants outside the marketing area; (6) revising the production point at which class prices are automatically adjusted downward as production increases; (7) replacing provisions requiring handlers to pay eligible cooperatives for services rendered by substituting provisions relating to marketing services for producers; (8) increasing or decreasing the maximum assessment for administration expenses; and (9) revising any other provisions of said tentatively approved marketing agreement, as amended, and said order, as amended.

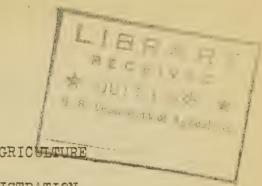
Copies of the proposed amendments prepared as a basis for the public hearing may be procured from the Hearing Clerk, Office of the Solicitor, United States Department of Agriculture, in Room O310, South Building, Washington, D. C., or may be there inspected.

H. A. WALLACE

SECRETARY OF AGRICULTURE

Dated: September 22, 1939

Washington, D. C.



UNITED STATES DEPARTMENT OF AGRICULTURE

AGRICULTURAL ADJUSTMENT ADMINISTRATION

PROPOSED

MARKETING AGREEMENT

AND PROPOSED ORDER REGULATING THE HANDLING

OF MILK

IN THE ST. LOUIS, MISSOURI, MARKETING AREA

This proposed marketing agreement and proposed order to regulate the handling of milk in the St. Louis, Missouri, Marketing Area in their present forms are for the purpose of discussion at public hearing and are not to be regarded as having received the approval of the Agricultural Adjustment Administration.

PROPOSED MARKETING AGREEMENT REGULATING THE HANDLING OF MILK

The parties to this Agreement are the contracting handlers and producers of milk in the St. Louis, Missouri, Marketing Area and the Secretary of Agriculture of the United States.

Whereas, It is the declared policy of Congress as set forth in Section 2 of the Agricultural Adjustment Act, approved May 12, 1933, as amended—

- "(1) Through the exercise of the powers conferred upon the Secretary of Agriculture under this title, to establish and maintain such balance between the production and consumption of agricultural commodities, and such marketing conditions therefor, as will reestablish prices to farmers at a level that will give agricultural commodities a purchasing power with respect to articles that farmers buy, equivalent to the purchasing power of agricultural commodities in the base period, and in the case of all commodities for which the base period is the pre-war period, August 1909 to July 1914, will also reflect current interest payments per acre on farm indebtedness secured by real estate and tax payments per acre on farm real estate, as contrasted with such interest payments and tax payments during the base period. The base period in the case of all agricultural commodities except tobacco and potatoes shall be the pre-war period, August 1909 -July 1914. * * *
- "(2) To protect the interest of the consumer by (a) approaching the level of prices which it is declared to be the policy of Congress to establish in subsection (1) of this section by gradual correction of the current level at as rapid a rate as the Secretary of Agriculture deems to be in the public interest and feasible in view of the current consumptive demand in domestic and foreign markets, and (b) authorizing no action under this title which has for its purpose the maintenance of prices to farmers above the level which it is declared to be the policy of Congress to establish in subsection (1) of this section."

And

Whereas, pursuent to the Agricultural Adjustment Act, the parties hereto, for the purpose of correcting conditions now obtaining in the handling of milk, in the St. Louis, Missouri, Marketing Area, and to effectuate the declared policy of the Act, desire to enter into a Marketing Agreement under the provisions of section 8b of the Act.

Now, therefore, the parties hereto agree as follows:

ARTICLE I -- DEFINITIONS

Section 1. As used herein, the following terms have the following meanings:

- 1. "Act" means the Agricultural Adjustment Act approved May 12, 1933, as amended.
- 2. "Secretary" means the Secretary of Agriculture of the United States.
- 3. "St. Louis Marketing Area", hereinafter called the "Marketing Area", means the territory within the corporate limits of the City of St. Louis, Missouri, and the territory within St. Ferdinand, Central, Carondelet, and Bonhomme townships in St. Louis County, Missouri; St. Charles township in St. Charles County, Missouri; Chouteau, Venice, Namecki, Granite City and Collinsville townships in Madison County, Illinois; and Stites, Canteen, Caseyville, East St. Louis, Conterville, Bellsville, St. Clair, Sugar Loaf, Stockey, O'Fallon, and Millstadt townships in St. Clair County, Illinois.
- 4. "Person" means any individual, partnership, corporation, association, and any other business unit.
- 5. "Producer" means any person, irrespective of whether any such person is also a handler, who produces milk in conformity with, or subject to, the health requirements applicable for milk to be sold for consumption as milk in the Marketing Area.
- 6. "New producer" means a producer whose milk was, regularly for thirty (30) days immediately prior to the effective date hereof, neither (a) being purchased by handlers selling milk in the Marketing Area or (b) being distributed in the Marketing Area.
- 7. "Handler" means any person, irrespective of whether such person is a producer or an association of producers, wherever located or operating, who engages in such handling of milk as is in the current of interstate or foreign commerce, or which directly burdens, obstructs, or affects interstate or foreign commerce in milk and its products.
- 8. "Market Administrator" means the person designated pursuant to Article II.
- 9. "Delivery period" means the period from the first to the last day of each month, both inclusive.

ARTICLE II -- MARKET ADMINISTRATOR

- Section 1. Selection, Removal and Bond. The Market Administrator shall be selected, and shall be subject to removal at any time, by the Secretary. Within forty-five (45) days following the date upon which he enters upon his duties, he shall execute and deliver to the Secretary a bond in such amount as the Secretary may determine, with surety thereon satisfactory to the Secretary, conditioned upon the faithful performance of his duties.
- Sec. 2. <u>Compensation</u>. The Market Administrator shall be entitled to such reasonable compensation as may be determined by the Secretary.
 - Sec. 3. Powers. The Market Administrator shall have power:
 - 1. To administer the terms and provisions hereof; and
- 2. To receive, investigate, and report to the Secretary complaints of violations of the terms and provisions hereof.
- Sec. 4. <u>Duties</u>. The Market Administrator, in addition to the duties hereinafter described, shall:
- 1. Keep such books and records as will clearly reflect the transactions provided for herein, which books and records shall be subject to examination by the Secretary at any and all times;
- 2. Furnish such information and such verified reports as the Secretary may request;
- 3. Obtain a bond with reasonsible security thereon for each employee who handles funds entrusted to the Market Administrator;
- 4. Publicly disclose to handlers and producers, unless otherwise directed by the Secretary, the name of any person who has not; (a) furnished security pursuant to Article XII, (b) made reports pursuant to Article V, (c) made payments pursuant to Article IX; and
- 5. Pay, out of the funds provided by Article XI; (a) the cost of his bond and of the bonds of his employees, (b) his own compensation, and (c) all other expenses necessary for the performance of his duties.
- Sec. 5. Responsibility. The Market Administrator shall not be held responsible in any way whatsoever to any handler, or any other person, for errors in judgment, mistakes, or other acts either of commission or omission, as such Market Administrator, except for his wilful misfeasance or malfeasance, or dishonesty.

ARTICLE III -- CLASSIFICATION OF MILK

- Section 1. Sales and Use Classification. Milk purchased or handled by handlers shall be classified as follows:
- 1. Class I milk means all milk sold by handlers as milk containing not less than one-half of one percent of butterfat.
- 2. Class II milk means all milk used by handlers to produce cream for consumption as cream, evaporated milk, condensed milk, flavored drinks, creamed buttermilk, and cream cottage cheese: Provided, That the milk from which only the skimmed milk is used in the production of the above products shall not be included as Class II milk.
- 3. Class III milk means the quantity of milk purchased, sold or used by handlers in excess of Class I and Class II milk.
- Sec. 2. Inter-handler Sales. Milk sold as milk or cream by a handler to another handler shall be presumed to be Class I milk: Provided, That if such selling handler, on or before the date fixed for filing reports pursuant to Article V, shall furnish proof satisfactory to the Market Administrator, that such milk has been sold or used by the purchasing handler other than as Class I milk, thon, and in that event, such milk shall be classified according to its use.

ARTICLE IV -- MINIMUM PRICES

Section 1. <u>Class Prices</u>. Each handler shall pay, in the manner set forth in Article IX., for milk which he has purchased from producers, including new producers, delivered at the plant of such handler, not less than the following prices which are based on milk of 3.5 percent butterfat content and are subject to the adjustments and conditions set forth in this article and to the butterfat differential pursuant to section 3 of Article IX:

Class I milk -- \$2.25 per hundredweight.

Class II milk — For each hundred pounds, 3.5 times the average price per pound of 92-score butter at wholesale in the Chicago market, as reported by the United States Department of Agriculture for the delivery period during which such milk is purchased, plus 30 percent thereof plus 20 cents: Provided, That, for milk used for evaporated milk in hermetically scaled containers, handlers shall pay the price set forth in the Marketing Agreement and License for Evaporated Milk.

Class III milk -- For each hundred pounds, 3.5 times the average price per pound of 92-score butter at wholesale in the Chicago market as reported by the United States Department of Agriculture for the delivery period during which such milk is purchased, plus 15 cents.

- Sec. 2. Sales Outside the Marketing Area. With respect to Class I milk sold outside of the Marketing Area, by a handler, the price to be paid to producers, in lieu of the price set forth in section 1, shall be such price as the Market Administrator ascertains is being paid by handlers in the market, where such milk is sold, for milk of the equivalent use, subject to a reasonable adjustment on account of transportation to the place of sale, from the plant where such milk is received from producers.
- Sec. 3. <u>Publication of Class Prices</u>. On or before the second day after the end of each delivery period, the Market Administrator shall publicly announce the Class II and Class III prices in effect for such delivery period.
- Sec. 4. Class Price Adjustments. The prices set forth in section 1 shall be subject to adjustment in accordance with the following:
- 1. With respect to all Class I and Class II milk delivered to handlers at plants outside the Marketing Area and within the following specified distances (airline, from the City Hall in St. Louis) there shall be deductions per hundredweight as follows: within twenty (20) miles, sixteen (16) cents; more than twenty (20) miles but not in excess of thirty (30) miles, an additional two (2) cents; more than thirty (30) miles but not in excess of forty (40) miles, an additional two (2) cents; and within, but not exceeding, each additional ten (10) miles, in excess of forty (40) miles, an additional one (1) cents.
- 2. With respect to all Class III milk delivered to such handlers at plants, outside the Marketing Area, there shall be a deduction of five (5) cents per hundredweight.
- 3. Unless the prior written consent of the Market. Administrator has been obtained for some other basis of adjustment, Class I and Class II milk shall be considered to have been delivered, in the order named, to a handler at plants within or nearest to the Marketing Area.

ARTICLE V -- REPORTS OF HANDLERS

- Section 1. <u>Periodic Reports</u>. On or before the fifth day after the end of each delivery period, each handler shall, with respect to milk or cream handled by him during such delivery period, report to the Market Administrator in the detail and form prescribed by him, as follows:
- 1. The receipts at each plant from producers who are not handlers;
- 2. The receipts at each plant from any other handler, including any handler who is also a producer;
 - 3. The quantity, if any, produced by the handler; and
- 4. The total quantities of milk which were sold or used, including sales to other handlers, in each class set forth in Article III.
- Sec. 2. Reports as to Producers. Each handler shall report to the Market Administrator:
- 1. Within ten (10) days after the Market Administrator's request, with respect to any producer or group of producers and with respect to a period or periods of time designated by the Market Administrator, (a) the name and address, (b) the total pounds of milk delivered, (c) the average butterfat test of milk delivered, and (d) the number of days on which deliveries were made.
- 2. As soon as possible after first receiving milk from any producer, (a) the name and address of such producer, (b) the date on which such milk was first received, and (c) whether or not such producer is a new producer.
- Sec. 3. Report of Payment to Producers. Each handler shall report to the Market Administrator within twenty (20) days after the end of each delivery period, with respect to the payment which he has made to each and every producer for such delivery period, (a) the net amount of such payment, showing the prices, deductions, and charges involved, and (b) the total delivery of milk with the average butterfat test thereof.
- Sec. 4. Verification of Reports. In order that the Market Administrator may submit verified reports to the Secretary pursuant to paragraph 2 of section 4 of Article II, each handler shall permit the Market Administrator or his representative, during the usual hours of business, to (a) verify the information contained in reports submitted by such handler pursuant to this article, and (b) sample, weight, and test milk for butterfat.

ARTICLE VI -- HANDLERS NOT HANDLING CLASS I MILK

Section 1. Application of Provisions. Any handler who does not handle Class I milk and who does not receive milk from producers shall on or before the eighth day after the end of each delivery period, report to the Market Administrator the total quantity of cream and other milk products sold to each handler in the Marketing Area during such delivery period.

ARTICLE VII -- HANDLERS WHO ARE ALSO PRODUCERS

Section 1. Milk Purchased from Producers. In the case of a handler who is also a producer and has purchased milk from producers, the Market Administrator shall, in the computations set forth in Article VIII, exclude the milk purchased in each class from other handlers and apportion the milk purchased from producers to each class according to such handler's remaining total sales in each class.

ARTICLE VIII --- DETERMINATION OF UNIFORM PRICES TO PRODUCERS

- Section 1. Computation of Value of Milk for Each Handler.

 For each delivery period the Market Administrator shall compute, subject to the provisions of Article VII, the value of milk sold or used by each handler, which was not purchased from other handlers; by (a) multiplying the quantity of such milk in each class by the price applicable pursuant to Article IV and (b) adding together the resulting value of each class.
 - Sec. 2. Computation and Announcement of Uniform Price for Each Handler. The Market Administrator shall compute and announce for each handler the uniform price per hundredweight of milk delivered to him by producers during each delivery period as follows:
 - 1. Add to the value computed pursuant to section 1 the amount of adjustment to be made pursuant to section 4 of Article IX;
 - 2. Subtract the total amount to be paid to new producers at the Class III price:
 - 3. Divide by the total quantity of milk delivered by producers other than the milk represented by the amount subtracted in paragraph 2;
 - 4. On or before the 10th day after the end of each delivery period, notify each handler of the uniform price computed for him; and
- 5. On or after the 15th day after the end of each delivery period, publicly announce the uniform prices computed for all handlers pursuant to this article with the differentials applicable pursuant to section 4 of Article IX.

ARTICLE IX -- PAYMENTS FOR MILK

- Section 1. Time and Method of Payment. On or before the 15th day after the end of each delivery period, each handler shall make payment for the total value, subject to the butterfat differential set forth in section 3, of milk received from preducers during such delivery period as follows:
- 1. To producers, at the uniform price per hundredweight computed for such handler subject to the country station differentials set forth in section 4;
- 2. To any new producer, at the Class III price for all the milk delivered by such producer, for the period beginning with the first regular delivery by such producer, and continuing until the end of two full calendar months following the first day of the next succeeding calendar month.
- Sec. 2. Errors in Payments. Errors in making the payments prescribed in this article shall be corrected not later than the date for making payments next following the determination of such errors.
- Sec. 3. <u>Butterfat Differential</u>. In making payments to each producer pursuant to this article, each handler shall add or subtract, as the case may be, three (3) cents per hundredweight for each one-tenth of one percent butterfat content of the milk delivered by such producer which is above or below 3.5 percent.
- Sec. 4. Country Station Differentials. In making payments to all producers, except new producers being paid the Class III price, who deliver milk at plants outside the Marketing Area, each handler shall deduct from the uniform price the amounts set forth in paragraph 1 of section 4 of Article IV.

ARTICLE X -- MARKETING SERVICES

Section 1. Deductions for Marketing Services. Except as set forth in section 2 of this article, each handler shall (a) deduct four (4) cents per hundredweight, from the payments made to producers pursuant to Article VIII, with respect to all milk delivered to such handler during each delivery period by producers, and (b) pay such deductions to the Market Administrator on or before the 15th day after the end of such delivery period. Such monies shall be expended by the Market Administrator for market information to, and for verification of weights, sampling and testing of milk purchased from, said producers.

Sec. 2. Producers! Cooperative Associations. In the case of producers who are members of a cooperative association which (a) meets the requirements of the provisions of the Act of Congress of February 18, 1922, as amended, known as the "Capper-Volstead Act", (b) is engaged in making collective sales or marketing of milk for its members, and (c) is actually performing for its members the services set forth in section 1, each handler shall make the deductions from the payments to be made pursuant to section 1 of Article IX, which are authorized by such producers and, on or before the 15th day after the end of each delivery period, pay over such deductions to the association of which each such producer is a member.

ARTICLE XI -- EXPENSE OF ADMINISTRATION

Section 1. Payments by Handlers. As his prorata share of the expense of the administration hereof, each handler shall, on or before the 15th day after the end of each delivery period, pay to the Market Administrator one (1) cent per hundredweight, with respect to all milk delivered to him by producers during such delivery period. Each handler who produces milk distributed by him shall make a similar payment to the Market Administrator with respect to that milk which is produced by him and sold during such delivery period to another person, other than a handler.

Scc. 2. Waiver of Payments. The Market Administrator may, as to any delivery period, waive the payments set forth in section 1 or distribute any balance arising therefrom, or any part thereof, when the funds in hand from payments for previous delivery periods are sufficient to pay the expense of administration for such delivery period.

ARTICLE XII - SECURITY FOR PAYMENTS TO PRODUCERS

Section 1. Furnishing of Security. Each handler who purchases milk from producers shall, not less than ten (10) days before he is required to make his first payments pursuant to Article IX, furnish to the Market Administrator security, satisfactory to the Market Administrator, for the payments to be made pursuant to Article IX, in such amount as will equal the value of milk purchased by such handler during a period of time equivalent to a delivery period. In the event that the value of milk purchased by a handler for each of three consecutive delivery periods exceeds the amount of security furnished to the Market Administrator, such handler shall increase the amount of security so that it shall be not less than one-third of the total value of milk purchased during said three delivery periods.

State statute, any handler has furnished a bond or other security which insures any part of the payments to be made by such handler pursuant to Article IX, such handler shall furnish to the Market Administrator security in such amount as will, when added to the amount of security furnished under a State statute, equal the amount of security required under Section 1.

ARTICLE XIII - RESPONSIBILITY

Section 1. <u>Handlers</u>. The liability of the handlers hereunder are several and not joint and no handler shall be liable for the default of any other handler.

ARTICLE XIV -- SEPARABILITY

Section 1. Separability. If any provision of this Agreement is declared invalid, or the applicability thereof to any person, circumstance, or thing is held invalid, the validity of the remainder of this Agreement and/or the applicability thereof to any other person, circumstance or thing shall not be affected thereby.

ARTICLE XV -- DEROGATION

Section 1. <u>Derogation</u>. Nothing contained in this Agreement is or shall be construed to be in derogation or in modification of the rights of the Secretary or of the United States; (a) to exercise any powers granted by the Act or otherwise, and/or (b) in accordance with such powers to act in the premises whenever such action is deemed advisable.

ARTICLE XVI -- ANTI-TRUST LAWS

Section 1. Anti-trust Laws. Any exemption from the anti-trust laws and/or any validation of any acts or things, which otherwise would have been unlawful, which may result from the execution of this Agreement by the Secretary, shall not extend or be construed to extend further than is absolutely necessary for the purpose of carrying out the provisions of this Agreement.

ARTICLE XVII - DURATION OF IMMUNITIES.

Section 1. <u>Duration of Immunities</u>. The benefits, privileges and immunities conferred by virtue of this Agreement shall cease upon its termination, except with respect to acts done under and during the existence of this Agreement, and benefits, privileges, and immunities conferred by this Agreement upon any parties signatory hereto shall cease upon its termination as to such party, except with respect to acts done under and during the existence of this Agreement.

ARTICLE XVIII -- AGENTS

Section 1. Agents. The Secretary may, by a designation in writing, name any person (not a party to this Agreement) including any officer or employee of the Government, or name any Bureau or Division in the Department of Agriculture, to act as his agent or representative in connection with any of the provisions of this Agreement.

ARTICLE XIX -- ORDER WITH MARKETING AGREEMENT

Section 1. Request for Order. Each signatory handler hereby requests the Secretary to issue an Order pursuant to the Act regulating the handling of milk in the Marketing Area, in the same manner as provided in this Agreement.

ARTICLE XX -- ADDITIONAL PARTIES AND COUNTERPARTS

Section 1. Additional Parties. After this Agreement first takes effect, any handler may become a party to this Agreement if a counterpart thereof is executed by him, and by the Secretary. This Agreement shall take effect, as to such handler, at such time as the Secretary may declare above his signature attached to such counterpart, and the benefits, privileges and immunities conferred by this Agreement shall then be effective as to such handler.

Sec. 2. <u>Counterparts</u>. This Agreement may be executed in multiple counterparts, and when one counterpart is signed by the Secretary all such counterparts shall constitute, when taken together, one and the same instrument as if all such signatures were obtained in one original.

ARTICLE XXI -- AMENDMENTS

- Section 1. <u>Proposals</u>. Amendments to this Agreement may, from time to time, be proposed by any party hereto.
- Sec. 2. Hearing and Approval. After due notice and hearing and upon the execution of the proposed amendments by 50 percent or more handlers, who, during the month preceding the execution of said amendment or amendments, handled not less than 50 percent of the milk handled in the Marketing Area, the Secretary may approve such amendments, which shall be effective as provided in Article XXII.

ARTICLE XXII -- EFFECTIVE TIME, TERMINATION AND SUSPENSION

- Section 1. Effective Time. This Agreement shall become effective at such time as the Secretary may declare above his signature attached hereto, and shall continue in force until terminated in one of the ways hereinafter specified.
- Sec. 2. <u>Termination</u>. 1. The Secretary may at any time terminate this Agreement as to all parties hereto by giving at least one (1) day's notice by means of a press release or in any other manner which the Secretary may determine.
- 2. The Secretary may at any time terminate this Agreement as to any party signatory hereto by giving at least one (1) day's notice by depositing the same in the mail and addressed to such party at his last known address.
- 3. The Secretary shall terminate this Agreement at the end of any delivery period whenever he finds that such termination is favored by a majority of the producers of milk who during the preceding delivery period have been engaged in the production for market of milk in the marketing area: Provided, That such majority have during such period produced for market more than fifty (50) percent of the volume of such milk produced for market within said marketing area, but such termination shall be effective only if announced on or before the fifth day prior to the end of such delivery period.
- 4. This Agreement shall in any event terminate whenever the provisions of the Act authorizing it cease to be in effect.
- Sec. 3. Effect. Unless otherwise provided by the Secretary in the notice of amendment, termination or suspension, of any or all provisions hereof, the amendment, termination or suspension shall not; (a) affect, waive, or terminate any right, duty, obligation or liability which shall have arisen or may thereafter arise in connection with any provision of this Agreement; (b) release or forgive any violation of this Agreement occurring prior to the effective date of such amendment, termination or suspension; or (c) affect or impair

any rights or remedies of the Secretary, or of any other person with respect to any such violation.

Sec. 4. Continuing Power and Duty. If, upon the termination or suspension of this Agreement, there are any obligations arising thereunder, the final accrual or ascertainment of which requires further acts by any party thereto, or by the Market Administrator hereunder, or by any other person, the power and/or duty to reform such further acts shall continue notwithstanding such termination or suspension; Provided, That any such acts required under the terms of this Agreement shall be performed by the Market Administrator, functioning at the effective time of such termination or suspension, or, if the Secretary shall so direct, by such other person, persons or agency, as the Secretary may designate.

Sec. 5. <u>Disbursement after Termination or Suspension</u>. The Market Administrator shall, after the termination or suspension of this Agreement, from time to time, disburse any funds in his hands to the producers or handlers entitled to such funds, on the basis of the milk delivered or handled, as the case may be, during the delivery period immediately prior to such termination or suspension; <u>Provided</u>, That each such fund shall bear the expenses incident to the disbursement thereof.

ARTICLE XXV -- SIGNATURES OF PARTIES

IN WITNESS WHEREOF,

parites, acting under the provisions of the Agricultural Adjustment Act, as amended, for the purposes and subject to the limitations herein contained, and not otherwise, have hereunto set their respective hands and seals, this day of , 1935.

PROPOSED ORDER REGULATING THE HANDLING OF MILK IN THE ST. LOUIS, MISSOURI, MARKETING AREA

WHEREAS, it is provided in Section 8 (c) of the Agricultural Adjustment Act approved May 12, 1933, as amended (hereinafter called the Act), as follows:

"(1) The Secretary of Agriculture shall, subject to the provisions of this section, issue, and from time to time amend orders applicable to processors, associations of producers, and others engaged in the handling of any agricultural commodity or product thereof specified in subsection (2) of this section. Such persons are referred to in this title as 'handlers.' Such orders shall regulate in the manner hereinafter in this section provided, only such handling of such agricultural commodity, or product thereof, as is in the current of interstate or foreign commerce, or which directly burdens, obstructs, or affects, interstate or foreign commerce in such commodity or product thereof."

And

WHEREAS, the Secretary of Agriculture, having reason to believe that the issuance of an order would tend to effectuate the declared policy of Title I of the Act with respect to the handling of milk in the St. Louis, Missouri, Marketing Area, did on the day of 1935, give notice of a hearing to be held on the day of November, 1935, on a proposed order regulating the handling of said commodity, and did at the same time and place conduct a public hearing thereon and gave due opportunity to all interested parties to be heard concerning the said proposed order;

And

WHEREAS, the Secretary finds: (here insert specific findings)

Now, therefore, it is ordered by the Secretary acting under the authority vested in him as aforesaid, that the handling of said milk in the current of interstate or foreign commerce, or so as directly to burden, obstruct, or affect interstate or foreign commerce in such milk, from and after the date herein specified by the Secretary, shall be in conformity to and in compliance with the terms and conditions of this Order.

ARTICLE I -- DEFINITIONS

Section 1. As used herein, the following terms have the following meanings:

- 1. "Act" means the Agricultural Adjustment Act approved May 12, 1933, as amended.
- 2. "Secretary" means the Secretary of Agriculture of the United States.
- 3. "St. Louis Marketing Area", hereinafter called the "Marketing Area", means the territory within the corporate limits of the City of St. Louis, Missouri, and the territory within St. Ferdinand, Central, Carondelet, and Bonhomme townships in St. Louis County, Missouri; St. Charles township in St. Charles County, Missouri; Chouteau, Venice, Namecki, Granite City and Collinsville townships in Madison County, Illinois; and Stites, Canteen, Caseyville, East St. Louis, Canterville, Bellsville, St. Clair, Sugar Loaf, Stockey, O'Fallon, and Millstadt townships in St. Clair County, Illinois.
- 4. "Person" means any individual, partnership, corporation, association, and any other business unit.
- 5. "Producer" means any person, irrespective of whether any such person is also a handler, who produces milk in conformity with, or subject to, the health requirements applicable for milk to be sold for consumption as milk in the Marketing Area.
- 6. "New producer" means a producer whose milk was, regularly for thirty (30) days immediately prior to the effective date hereof, neither (a) being purchased by handlers selling milk in the Marketing Area or (b) being distributed in the Marketing Area.
- 7. "Handler" means any person, irrespective of whether such person is a producer or an association of producers, wherever located or operating, who engages in such handling of milk as is in the current of interstate or foreign commerce, or which directly burdens, obstructs, or affects interstate or foreign commerce in milk and its products.
- 8. "Market Administrator" means the person designated pursuant to Article II.
- 9. "Delivery period" means the period from the first to the last day of each month, both inclusive.

ARTICLE II -- MARKET ADMINISTRATOR

- Section 1. Selection, Removal and Bond. The Market Administrator shall be selected, and shall be subject to removal at any time, by the Secretary. Within forty-five (45) days following the date upon which he enters upon his duties, he shall execute and deliver to the Secretary a bond in such amount as the Secretary may determine, with surety thereon satisfactory to the Secretary, conditioned upon the faithful performance of his duties.
- Sec. 2. <u>Compensation</u>. The Market Administrator shall be entitled to such reasonable compensation as may be determined by the Secretary.
 - Sec. 3. Powers. The Market Administrator shall have power:
 - 1. To administer the terms and provisions hereof; and
- 2. To receive, investigate, and report to the Secretary complaints of violations of the terms and provisions hereof.
- Sec. 4. <u>Duties</u>. The Market Administrator, in addition to the duties hereinafter described, shall:
- l. Keep such books and records as will clearly reflect the transactions provided for herein, which books and records shall be subject to examination by the Secretary at any and all times;
- 2. Furnish such information and such verified reports as the Secretary may request:
- 3. Obtain a bond with reasonsible security thereon for each employee who handles funds entrusted to the Market Administrator;
- 4. Publicly disclose to handlers and producers, unless otherwise directed by the Secretary, the name of any person who has not; (a) furnished security pursuant to Article XII, (b) made reports pursuant to Article V, (c) made payments pursuant to Article IX; and
- 5. Pay, out of the funds provided by Article XI; (a) the cost of his bond and of the bonds of his employees, (b) his own compensation, and (c) all other expenses necessary for the performance of his duties.
- Sec. 5. Responsibility. The Market Administrator shall not be held responsible in any way whatsoever to any handler, or any other person, for errors in judgment, mistakes, or other acts either of commission or omission, as such Market Administrator, except for his wilful misfeasance or malfeasance, or dishonesty.

ARTICLE III -- CLASSIFICATION OF MILK

- Section 1. Sales and Use Classification. Milk purchased or handled by handlers shall be classified as follows:
- 1. Class I milk means all milk sold by handlers as milk containing not less than one-half of one percent of butterfat.
- 2. Class II milk means all milk used by handlers to produce cream for consumption as cream, evaporated milk, condensed milk, flavored drinks, creamed buttermilk, and cream cottage cheese: Provided, That the milk from which only the skimmed milk is used in the production of the above products shall not be included as Class II milk.
- 3. Class III milk means the quantity of milk purchased, sold or used by handlers in excess of Class I and Class II milk.
- Sec. 2. Inter-handler Sales. Milk sold as milk or cream by a handler to another handler shall be presumed to be Class I milk: Provided, That if such selling handler, on or before the date fixed for filing reports pursuant to Article V, shall furnish proof satisfactory to the Market Administrator, that such milk has been sold or used by the purchasing handler other than as Class I milk, then, and in that event, such milk shall be classified according to its use.

ARTICLE IV -- MINIMUM PRICES

Section 1. <u>Class Prices</u>. Each handler shall pay, in the manner set forth in Article IX., for milk which he has purchased from producers, including new producers, delivered at the plant of such handler, not less than the following prices which are based on milk of 3.5 percent butterfat content and are subject to the adjustments and conditions set forth in this article and to the butterfat differential pursuant to section 3 of Article IX:

Class I milk -- \$2.25 per hundredweight.

Class II milk — For each hundred pounds, 3.5 times the average price per pound of 92-score butter at wholesale in the Chicago market, as reported by the United States Department of Agriculture for the delivery period during which such milk is purchased, plus 30 percent thereof plus 20 cents: Provided, That, for milk used for evaporated milk in hermetically sealed containers, handlers shall pay the price set forth in the Marketing Agreement and License for Evaporated Milk.

Class III milk -- For each hundred pounds, 3.5 times the average price per pound of 92-score butter at wholesale in the Chicago market as reported by the United States Department of Agriculture for the delivery period during which such milk is purchased, plus 15 cents.

- Sec. 2. Sales Outside the Marketing Area. With respect to Class I milk sold outside of the Marketing Area, by a handler, the price to be paid to producers, in lieu of the price set forth in section I, shall be such price as the Market Administrator ascertains is being paid by handlers in the market, where such milk is sold, for milk of the equivalent use, subject to a reasonable adjustment on account of transportation to the place of sale, from the plant where such milk is received from producers.
- Sec. 3. <u>Publication of Class Prices</u>. On or before the second day after the end of each delivery period, the Market Administrator shall publicly announce the Class II and Class III prices in effect for such delivery period.
- Sec. 4. <u>Class Price Adjustments</u>. The prices set forth in section 1 shall be subject to adjustment in accordance with the following:
- 1. With respect to all Class I and Class II milk delivered to handlers at plants outside the Marketing Area and within the following specified distances (airline, from the City Hall in St. Louis) there shall be deductions per hundredweight as follows: within twenty (20) miles, sixteen (16) cents; more than twenty (20) miles but not in excess of thirty (30) miles, an additional two (2) cents; more than thirty (30) miles but not in excess of forty (40) miles, an additional two (2) cents; and within, but not exceeding, each additional ten (10) miles, in excess of forty (40) miles, an additional one (1) cent.
- 2. With respect to all Class III milk delivered to such handlers at plants, outside the Marketing Area, there shall be a deduction of five (5) cents per hundredweight.
- 3. Unless the prior written consent of the Market Administrator has been obtained for some other basis of adjustment, Class I and Class II milk shall be considered to have been delivered, in the order named, to a handler at plants within or nearest to the Marketing Area.

ARTICLE V -- REPORTS OF HANDLERS

Section 1. Periodic Reports. On or before the fifth day after the end of each delivery period, each handler shall, with respect to milk or cream handled by him during such delivery period, report to the Market Administrator in the detail and form prescribed by him, as follows:

- 1. The receipts at each plant from producers who are not handlers;
- 2. The receipts at each plant from any other handler, including any handler who is also a producer;
 - 3. The quantity, if any, produced by the handler; and
- 4. The total quantities of milk which were sold or used, including sales to other handlers, in each class set forth in Article III.
- Sec. 2. Reports as to Producers. Each handler shall report to the Market Administrator:
- l. Within ten (10) days after the Market Administrator's request, with respect to any producer or group of producers and with respect to a period or periods of time designated by the Market Administrator, (a) the name and address, (b) the total pounds of milk delivered, (c) the average butterfat test of milk delivered, and (d) the number of days on which deliveries were made.
- 2. As soon as possible after first receiving milk from any producer, (a) the name and address of such producer, (b) the date on which such milk was first received, and (c) whether or not such producer is a new producer.
- Sec. 3. Report of Payment to Producers. Each handler shall report to the Market Administrator within twenty (20) days after the end of each delivery period, with respect to the payment which he has made to each and every producer for such delivery period, (a) the net amount of such payment, showing the prices, deductions, and charges involved, and (b) the total delivery of milk with the average butter-fat test thereof.
- Sec. 4. Verification of Reports. In order that the Market Administrator may submit verified reports to the Secretary pursuant to paragraph 2 of section 4 of Article II, each handler shall permit the Market Administrator or his representative, during the usual hours of business, to (a) verify the information contained in reports submitted by such handler pursuant to this article, and (b) sample, weight, and test milk for butterfat.

ARTICLE VI -- HANDLERS NOT HANDLING CLASS I MILK

Section 1. Application of Provisions. Any handler who does not handle Class I milk and who does not receive milk from producers shall on or before the eighth day after the end of each delivery period, report to the Market Administrator the total quantity of cream and other milk products sold to each handler in the Marketing Area during such delivery period.

ARTICLE VII -- HANDLERS WHO ARE ALSO PRODUCERS

Soction 1. Milk Purchased from Producers. In the case of a handler who is also a producer and has purchased milk from producers, the Market Administrator shall, in the computations set forth in Article VIII, exclude the milk purchased in each class from other handlers and apportion the milk purchased from producers to each class according to such handler's remaining total sales in each class.

ARTICLE VIII -- DETERMINATION OF UNIFORM PRICES TO PRODUCERS

- Section 1. <u>Computation of Value of Milk for Each Handler</u>. For each delivery period the Market Administrator shall compute, subject to the provisions of Article VII, the value of milk sold or used by each handler, which was not purchased from other handlers; by (a) multiplying the quantity of such milk in each class by the price applicable pursuant to Article IV and (b) adding together the resulting value of each class.
- Sec. 2. Computation and Announcement of Uniform Price for Each Handler. The Market Administrator shall compute and announce for each handler the uniform price per hundredweight of milk delivered to him by producers during each delivery period as follows:
- 1. Add to the value computed pursuant to section 1 the amount of adjustment to be made pursuant to section 4 of Article IX;
- 2. Subtract the total amount to be paid to new producers at the Class III price;
- 3. Divide by the total quantity of milk delivered by producers other than the milk represented by the amount subtracted in paragraph 2;
- 4. On or before the 10th day after the end of each delivery period, notify each handler of the uniform price computed for him; and
- 5. On or after the 15th day after the end of each delivery period, publicly announce the uniform prices computed for all handlers pursuant to this article with the differentials applicable pursuant to section 4 of Article IX.

ARTICLE IX -- PAYMENTS FOR MILK

Section 1. Time and Method of Payment. On or before the 15th day after the end of each delivery period, each handler shall make payment for the total value, subject to the butterfat differential set forth in section 3, of milk received from preducers during such delivery period as follows:

- 1. To producers, at the uniform price per hundredweight computed for such handler subject to the country station differentials set forth in section 4:
- 2. To any new producer, at the Class III price for all the milk delivered by such producer, for the period beginning with the first regular delivery by such producer, and continuing until the end of two full calendar months following the first day of the next succeeding calendar month.
- Sec. 2. Errors in Payments. Errors in making the payments prescribed in this article shall be corrected not later than the date for making payments next following the determination of such errors.
- Sec. 3. Butterfat Differential. In making payments to each producer pursuant to this article, each handler shall add or subtract, as the case may be, three (3) cents per hundredweight for each one-tenth of one percent butterfat content of the milk delivered by such producer which is above or below 3.5 percent.
- Sec. 4. Country Station Differentials. In making payments to all producers, except new producers being paid the Class III price, who deliver milk at plants outside the Marketing Area, each handler shall deduct from the uniform price the amounts set forth in paragraph 1 of section 4 of Article IV.

ARTICLE X -- MARKETING SERVICES

Section 1. Deductions for Marketing Services. Except as set forth in section 2 of this article, each handler shall (a) deduct four (4) cents per hundredweight, from the payments made to producers pursuant to Article VIII, with respect to all milk delivered to such handler during each delivery period by producers, and (b) pay such deductions to the Market Administrator on or before the 15th day after the end of such delivery period. Such monies shall be expended by the Market Administrator for market information to, and for verification of weights, sampling and testing of milk purchased from, said producers.

Sec. 2. Producers' Cooperative Associations. In the case of producers who are members of a cooperative association which (a) meets the requirements of the provisions of the Act of Congress of February 18, 1922, as amended, known as the "Capper-Volstead Act", (b) is engaged in making collective sales or marketing of milk for its members, and (c) is actually performing for its members the services set forth in section 1, each handler shall make the deductions from the payments to be made pursuant to section 1 of Article IX, which are mithorized by such producers and, on or before the 15th day after the end of each delivery period, pay over such deductions to the association of which each such producer is a member.

ARTICLE XI -- EXPENSE OF ADMINISTRATION

Section 1. Payments by Handlers. As his prorate share of the expense of the administration hereof, each handler shall, on or before the 15th day after the end of each delivery period, pay to the Market Administrator one (1) cent per hundredweight, with respect to all milk delivered to him by producers during such delivery period. Each handler who produces milk distributed by him shall make a similar payment to the Market Administrator with respect to that milk which is produced by him and sold during such delivery period to another person, other than a handler.

Sec. 2. Waiver of Payments. The Morket Administrator may, as to any delivery period, waive the payments set forth in section 1 or distribute any balance arising therefrom, or any part thereof, when the funds in hand from payments for previous delivery periods are sufficient to pay the expense of administration for such delivery period.

ARTICLE XII - SECURITY FOR PAYMENTS TO PRODUCERS

Section 1. Furnishing of Security. Each handler who purchases milk from producers shall, not less than ten (10) days before he is required to make his first payments pursuant to Article IX, furnish to the Market Administrator security, satisfactory to the Market Administrator, for the payments to be made pursuant to Article IX, in such amount as will equal the value of milk purchased by such handler during a period of time equivalent to a delivery period. In the event that the value of milk purchased by a handler for each of three consecutive delivery periods exceeds the amount of security furnished to the Market Administrator, such handler shall increase the amount of security so that it shall be not less than one-third of the total value of milk purchased during said three delivery periods.

Sec. 2. Bonds under State Statute. If, pursuant to a State statute, any handler has furnished a bond or other security which insures any part of the payments to be made by such handler pursuant to Article IX, such handler shall furnish to the Market Administrator security in such amount as will, when added to the amount of security furnished under a State statue, equal the amount of security required under Section 1.

ARTICLE XIII -- SEPARABILITY

Section 1. <u>Separability</u>. If any provision of this Order is declared invalid, or the applicability thereof to any person, circumstance, or thing is held invalid, the validity of the remainder of this Order and/or the applicability thereof to any other person, circumstance or thing shall not be affected thereby.

ARTICLE XIV -- DEROGATION

Section 1. <u>Derogation</u>. Nothing contained in this Order is or shall be construed to be in derogation or in modification of the rights of the Secretary or of the United States; (a) to exercise any powers granted by the Act or otherwise, and/or (b) in accordance with such powers to act in the premises whenever such action is deemed advisable.

ARTICLE XV -- DURATION OF IMMUNITIES

Section 1. <u>Duration of Immunities</u>. The benefits, privileges and immunities conferred by virtue of this Order shall cease upon its termination, except with respect to acts done under and during the existence of this Order, and benefits, privileges, and immunities conferred by this Order upon any parties subject hereto shall cease upon its termination as to such party, except with respect to acts done under and during the existence of this Order.

ARTICLE XVI --- EFFECTIVE TIME, TERMINATION AND SUSPENSION

Section 1. Effective Time. This Order shall become effective at such time as the Secretary may declare above his signature attached hereto, and shall continue in force until terminated or suspended in one of the ways hereinafter specified.

- Section 2. <u>Termination</u>. l. The Secretary may at any time terminate this Order by giving at least one (1) day's notice by means of a press release, or in any other manner which the Secretary may determine.
- 2. The Secretary shall terminate or suspend the operation of this Order, or of any provision thereof, whenever he finds that said Order, or such provision thereof, obstructs or does not tend to effectuate the declared policy of the Act.
- 3. The Secretary shall terminate this Order at the end of any delivery period whenever he finds that such termination is favored by a majority of the producers of milk who during the preceding delivery period have been engaged in the production for market of milk in the marketing area: Provided, That such majority have during such period produced for market more than fifty (50) percent of the volume of such milk produced for market within said marketing area, but such termination shall be effective only if announced on or before the fifth day prior to the end of such delivery period.
- 4. This Order shall in any event terminate whenever the provisions of the Act authorizing it cease to be in effect.

ARTICLE XVII -- TERMINATION AND SUSPENSION

- Sec. 3. Effect. Unless otherwise provided by the Secretary in the notice of termination or suspension, of any or all provisions hereof, the termination or suspension shall not; (a) affect, waive, or terminate any right, duty, obligation or liability which shall have arisen or may thereafter arise in connection with any provision of this Order; (b) release or forgive any violation of this Order occurring prior to the effective date of such termination or suspension; or (c) affect or impair any rights or remedies of the Secretary, or of any other person with respect to any such violation.
- Sec. 4. Continuing Power and Duty. If, upon the termination or suspension of this Order, there are any obligations arising thereunder, the final accrual or ascertainment of which requires further acts by any party subject thereto, or by the Market Administrator hereunder, or by any other person, the power and/or duty to perform such further acts shall continue notwithstanding such termination or suspension; Provided, That any such acts required under the terms of this Order shall be performed by the Market Administrator, functioning at the effective time of such termination or suspension, or, if the Secretary shall so direct, by such other person, persons or agency, as the Secretary may designate.

Sec. 5. <u>Disbursement after Termination or Suspension</u>. The Market Administrator or such other person, persons or agency, as the Secretary may designate shall, after the termination or suspension of this Order, from time to time, disburse any funds in his hands to the producers or handlers entitled to such funds, on the basis of the milk delivered or handled, as the case may be, during the delivery period immediately prior to such termination or suspension; <u>Provided</u>. That each such fund shall bear the expenses incident to the disbursement thereof.

IN WITNESS WHEREOF,
Secretary of Agriculture, acting under the provisions of the Agricultural Adjustment Act, as amended, and pursuant to the applicable General Regulations of the Agricultural Adjustment Administration, does hereby execute in duplicate and issue this Order in the City of Washington, District of Columbia, on this day of 1935, and pursuant to the provisions hereof, declares this Order to be effective on and after 12:01 a.m., C.S.T.

Secretary of Agriculture

1.99 (1.97)

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION

TENTATIVELY APPROVED MARKETING AGREEMENT REGULATING THE HANDLING OF MILK IN THE ST. LOUIS, MISSOURI. MARKETING AREA

I hereby certify that this document is a true and correct copy of the said Marketing Agreement as tentatively approved by the Acting Secretary of Agriculture, December 10, 1935.

Hearing Clerk.

U. S. Department of Agriculture

Dated: December 10, 1935.

Washington, D. C.

INSTRUCTIONS FOR SIGNING MARKETING AGREEMENT

(Please read carefully before signing)

Handlers of milk who wish to enter into the Marketing Agreement Regulating the Handling of Milk in the St. Louis, Missouri, Marketing Area with the Secretary of Agriculture should fill in and sign in accordance withthe following instructions:

- 1. The agreement should be signed in the space provided for the signer's signature and address on page 12 just below article XXIII, headed "Signatures". The type of business organization which you represent, whether corporation, partnership or individual, should be indicated with your signature. If your business is organized as a corporation, you should be sure to impress the corporate seal at the left of your signature.
- 2. The record of milk handled during the month of October 1935 should be properly certified as indicated on page 13.
- 3. The authorization to correct typographical errors on page 14 should be signed.
- 4. If your business is a corporation, the board of directors should pass a resolution, in the form attached to the agreement on page 14, authorizing the signing of this agreement.
- 5. In case of partnerships and corporations, the agreement should be signed by persons authorized to represent the same, such authorization to be indicated.

When the above procedure has been completed, the agreement should be returned to the Hearing Clerk, Room 4723 South Building, U. S. Department of Agriculture, Washington, D. C.

TENTATIVELY APPROVED MARKETING AGREEMENT REGULATING THE HANDLING OF MILK IN THE ST. LOUIS. MISSOURI. MARKETING AREA

The parties to this Agreement are the contracting handlers and the Secretary of Agriculture of the United States.

Whereas, it is provided in Title I, Section 8b of the Agricultural Adjustment Act, approved May 12, 1933, as amended (hereinafter called the Act), as follows:

"In order to effectuate the declared policy of this title, the Secretary of Agriculture shall have the power, after due notice and opportunity for hearing, to enter into marketing agreements with processors, producers, associations of producers, and others engaged in the handling of any agricultural commodity or product thereof, only with respect to such handling as is in the current of interstate or foreign commerce or which directly burdens, obstructs, or affects, interstate or foreign commerce in such commodity or product thereof.";

and

Whereas, The Secretary of Agriculture, having reason to believe that the execution of a Marketing Agreement would tend to effectuate the declared policy of Title I of the Act with respect to the producers of milk for the St. Louis, Missouri, Marketing Area, did on the 21st day of October, 1935, give notice of a hearing to be held on the 5th day of November, 1935, in the city of St. Louis, Missouri, on a proposed Marketing Agreement regulating the handling of the said commodity, and did at the said time and place conduct a public hearing thereon at which all parties were afforded an opportunity to be heard on the said proposed Marketing Agreement; and

Whereas, the parties hereto, in order to effectuate the declared policy of the Act, desire to enter into a Marketing Agreement under the provisions of Title I, Section 8b of the Act.

Now, therefore, the parties hereto agree as follows:

ARTICLE I -- DEFINITIONS

Section 1. Terms. The following terms shall have the following meanings:

- 1. "Act" means the Agricultural Adjustment Act approved May 12, 1933, as a mended.
- 2. "Secretary" means the Secretary of Agriculture of the United States.
- 3. "St. Louis Marketing Area", hereinafter called the "Marketing Area," means the territory within the corporate limits of the city of St. Louis, Missouri, and the territory within St. Ferdinand, Central, Carondelet, and Bonhomme townships in St. Louis County, Missouri; Chouteau, Venice, Nameoki, Granite City and Collinsville townships in Madison County, Illinois; and Stites, Canteen, Caseyville, East St. Louis, Centerville, Belleville, St. Clair, Sugar Loaf, Stookey, and O'Fallon townships in St. Clair County, Illinois.
- 4. "Person" means any individual, partnership, corporation, association, and any other business unit.
- 5. "Producer" means any person, irrespective of whether any such person is also a handler, who produces milk in conformity with, or subject to, the health requirements applicable for milk to be sold for consumption as milk in the Marketing Area.
- 6. "Handler" means any person, irrespective of whether such person is a producer or an association of producers, wherever located or operating, who engages in such handling of milk, which is sold as milk or cream in the Marketing Area, as is in the current of interstate or foreign commerce or which directly burdens, obstructs, or affects interstate or foreign commerce in milk and its products.
- 7. "Market Administrator" means the person designated pursuant to article II, as the agency for the administration hereof.
- 8. "Delivery period" means the current marketing period from the first to the last day of each month, both inclusive.

ARTICLE II --- MARKET ADMINISTRATOR

- Section 1. Selection, Removal and Bond. The Market Administrator shall be selected, and shall be subject to removal at any time, by the Secretary. Within forty-five (45) days following the date upon which he enters upon his duties, the Market Administrator shall execute and deliver to the Secretary a bond, conditioned upon the faithful performance of His duties, in an amount and with surety thereon satisfactory to the Secretary.
- Section 2. Compensation. The Market Administrator shall be entitled to such reasonable compensation as may be determined by the Secretary.

- Sec. 3. Powers. The Market Administrator shall have power:
- 1. To administer the terms and provisions hereof; and
- 2. To receive, investigate, and report to the Secretary complaints of violations of the terms and provisions hereof.
- Sec. 4. Duties. The Market Administrator, in addition to the duties hereinafter described, shall:
- 1. Keep such books and records as will clearly reflect the transactions provided for herein;
- 2. Submit his books and records to examination by the Secretary at any and all times;
- 3. Furnish such information and such verified reports as the Secretary may request;
- 4. Obtain a bond with reasonable surety thereon covering each employee who handles funds entrusted to the Market Administrator;
- 5. Employ and fix the compensation of such persons as may be necessary to enable him to administer the terms and provisions hereof;
- 6. Furnish to the Market Advisory Committee, when the same has been duly constituted, factual information in the form of general statements; provided, that such statements shall not identify the information furnished to the Market Administrator by any person;
- 7. Publicly disclose to handlers and producers, unless otherwise directed by the Secretary, the name of any handler who, within fifteen (15) days after the date upon which he is required to perform such acts, has not (a) made reports pursuant to article V, and (b) made payments pursuant to article IX; and
- 8. Pay, out of the funds provided by article X, (a) the cost of his bond and of the bonds of such of his employees, as handle funds entrusted to the Market Administrator, (b) his own compensation, and (c) all other expenses which will necessarily be incurred for the maintenance and functioning of his office and the performance of his duties.
- Sec. 5. Responsibility. The Market Administrator, in his capacity as such, shall not be held responsible in any way whatsoever to any handler or to any other person, for errors in judgment, for mistakes or for other acts either of commission or omission, except for his own wilful misfeasance, malfeasance or dishonesty.

ARTICLE III -- CLASSIFICATION OF MILK

Section 1. Sales and Use Classification. Milk purchased or handled by handlers shall be classified as follows:

- 1. Class I milk means all milk sold by handlers as milk containing not less than one-half of one percent of butterfat.
- 2. Class II milk means the quantity of milk purchased, sold or used by handlers in excess of Class I milk.
- Sec. 2. Inter-handler Sales. Milk sold as milk or cream by a handler to another handler shall be presumed to be Class I milk; provided, that if such selling nandler, on or before the date fixed for filing reports pursuant to article V, shall furnish proof satisfactory to the Market Administrator that such milk has been sold or used by the purchasing handler other than as Class I milk, then, and in that event, such milk shall be classified as Class II milk.
- Sec. 3. Source of Class I Milk. The milk which was sold or distributed by each handler as Class I milk shall be presumed to have been that milk which was delivered to such handler at plants within and nearest to the Marketing Area.

ARTICLE IV -- MINIMUM PRICES

- Section 1. <u>Class I Frices</u>. Each handler shall pay producers, in the manner set forth in article IX, for Class I milk, not less than the following prices:
- 1. In the case of milk delivered to such handler's plant located in the Marketing Area, \$2.10 per hundredweight;
- 2. In the case of milk delivered by producers to such handler's plant outside the Marketing Area, \$2.10 per hundredweight less the amount specified for the airline distance of such plant from the City Hall in St. Louis as follows: Within twenty (20) miles, sixteen (16) cents; more than twenty (20) miles but not in excess of thirty (30) miles, as additional two (2) cents; more than thirty (30) miles but not in excess of forty (40) miles, an additional two (2) cents; and for each additional ten (10) miles, in excess of forty (40) miles, an additional one (1) cent.
- Sec. 2. Class II Prices. Each handler shall pay producers, in the manner set forth in article IX, for Class II milk, not less than the following prices:
- 1. In the case of milk delivered to such handler's plant located in the Marketing Area, a price per hundredweight which shall be calculated by the Market Administrator as follows: Multiply by 3.5, the average price per pound of 92-score butter at wholesale in the Chicago market, as reported by the United States Department of Agriculture for the delivery period during which such milk is purchased, add 30 percent thereof and add 15 cents;
- 2. In the case of milk delivered to such handler's plant located outside the Marketing Area the price calculated by the Market Administrator pursuant to paragraph 1 of this section less 15 cents; and
 - 3. In the case of milk used by such handler for evaporated

milk in hermetically sealed containers, the price set forth in the Marketing Agreement and License for Evaporated Milk, issued by the Secretary May 31, 1935.

- Sec. 3. Sales Outside the Marketing Area. With respect to Class I milk sold outside the Marketing Area by a handler, the price to be paid to producers, in lieu of the price set forth in section 1, shall be such price as the Market Administrator ascertains to be the prevailing price paid by handlers, in the market where such milk is sold, for milk of the equivalent use, subject to a reasonable adjustment on account of transportation from the plant where such milk is received from producers to the plant where such milk is loaded for delivery on wholesale and retail routes.
- Sec. 4. Publication of Class II Price. On or before the second day after the end of each delivery period, the Market Administrator shall publicly announce the Class II price in effect for such delivery period.

ARTICLE V -- REPORTS OF HANDLERS

- Section 1. Periodic Reports. On or before the fifth day after the end of each delivery period, each handler shall, with respect to milk or cream handled by him during such delivery period, report to the Market Administrator, in the detail and form prescribed by him, as follows:
 - 1. The receipts at each plant from producers who are not handlers;
- 2. The receipts at each plant from any other handler, including any handler who is also a producer;
 - 3. The quantity, if any, produced by the handler; and
- 4. The total quantities of milk which were sold or used, including sales to other handlers, in each class set forth in Article III.
- Sec. 2. Reports as to Producers. Each handler shall report to the Market Administrator:
- 1. Within ten (10) days after the Market Administrator's request, with respect to any producer for whom such information is not in the files of the Market Administrator and with respect to a period or periods of time designated by the Market Administrator (a) the name and address, (b) the total pounds of milk delivered, (c) the average butterfat test of milk delivered and (d) the number of days on which deliveries were made.
- 2. As soon as possible after first receiving milk from any producer, (a) the name and address of such producer and (b) the date on which such milk was first received.
- Sec. 3. Report of Payment to Producers. Each handler shall submit to the Market Administrator, within twenty (20) days after the end of each delivery period, his producer payroll, or a report, which shall show, for

such delivery period and for each and every producer, (a) his total delivery of milk with the average butterfat test thereof and (b) the net amount of the payment made to him with the prices, deductions and charges involved.

Sec. 4. Verification of Reports. In order that the Market Administrator may submit verified reports to the Secretary pursuant to paragraph 3 of section 4 of article II each handler shall permit the Market Administrator or his representative, during the usual hours of business, to (a) verify the information contained in reports submitted by such handler pursuant to this article and to article VI, and (b) weigh, sample and test milk for butterfat.

ARTICLE VI -- HANDLERS NOT HANDLING CLASS I MILK

Section 1. Application of Provisions. Any handler who does not handle Class I milk and who does not receive milk from producers shall, on or before the eighth day after the end of each delivery period, report to the Market Administrator the total quantity of cream and other milk products sold to each handler in the marketing area during such delivery period.

ARTICLE VII -- HANDLERS WHO ARE ALSO PRODUCERS

Section 1. Milk Purchased from Producers. In the case of a handler who is also a producer and has purchased milk from producers, the Market Administrator shall, in the computations set forth in article VIII, first exclude the milk purchased in each class from other handlers and then apportion the milk purchased from producers to each class according to the ratio which such handler's remaining total sales in each class bears to the remaining total sales in all classes.

ARTICLE VIII -- DETERMINATION OF UNIFORM PRICES TO PRODUCERS

- Section 1. Computation of Value of Milk for Each Handler. For each delivery period, the Market Administrator shall compute, subject to the provisions of article VII, the value of milk sold or used by each handler, which was not purchased from other handlers, by (a) multiplying the quantity of such milk in each class by the price applicable pursuant to article IV and (b) adding together the resulting value of each class.
- Sec. 2. Computation and Announcement of Uniform Price for Each Handler. The Market Administrator shall compute and announce for each handler the uniform price per hundredweight of milk delivered to him by producers during each delivery period as follows:
- 1. Add to the value computed pursuant to section 1 the amount of adjustment to be made pursuant to section 4 of article IX;
- 2. Subtract the total amount to be paid pursuant to paragraph 2 of section 1 of article IX;
- 3. Divide by the total quantity of milk delivered by producers other than the milk represented by the amount subtracted in paragraph 2;

- 4. On or before the 10th day after the end of each delivery period, notify each handler of the uniform price computed for him; and
- 5. On or after the 15th day after the end of each delivery period, publicly announce the uniform price computed for each handler pursuant to this article with the differentials applicable pursuant to section 4 of article IX.

ARTICLE IX -- PAYMENTS FOR MILK

- Section 1. Time and Method of Payment. On or before the 15th day after the end of each delivery period, each handler shall make payment, subject to the butterfat differential set forth in section 3, for the total value of milk received from producers during such delivery period as follows:
- l. To producers, except as set forth in paragraph 2 of this section, at the uniform price per hundredweight computed for such handler pursuant to section 2 of article VIII, subject to the country station differentials set forth in section 4; and
- 2. To any producer, who did not regularly sell milk during a period of 30 days next preceding the effective date hereof to a handler or to persons within the marketing area, for all the milk delivered by such producer during the period beginning with the first regular delivery by such producer and continuing until the end of two full calendar months following the first day of the next succeeding calendar month, at the Class II price in effect for such handler's plant where such producer delivered milk.
 - Sec. 2. Errors in Payments. Errors in making the payments prescribed in this article shall be corrected not later than the date for making payments next following the determination of such errors.
 - Sec. 3. Butterfat Differential. In making payments to each producer pursuant to this article, each handler shall add or subtract, as the case may be, three (3) cents per hundredweight for each one-tenth of one percent butterfat content of the milk delivered by such producer which is above or below 3.5 percent.
- Sec. 4. Country Station Differentials. In making payments

 pursuant to paragraph 1 of section 1 of this article for milk received
 from producers at plants located outside the marketing area, if any, each
 handler shall deduct the amount per hundredweight specified for the airline distance of any such plant from the City Hall in St. Louis as follows:
 within twenty (20) miles, sixteen (16) cents; more than twenty (20) miles
 but not in excess of thirty (30) miles, an additional two (2) cents; more
 than thirty (30) miles but not in excess of forty (40) miles, an additional
 two (2) cents; and for each additional ten (10) miles in excess of forty
 (40) miles, an additional one (1) cent.
 - Sec. 5. Additional Payments. 1. Any handler may make payments to producers in addition to the payments to be made pursuant to section 1 of this article; provided, that such additional payments shall be uniform as

emong all producers similarly circumstanced.

2. Each handler shall pay to any producers cooperative association, which the Secretary determines to be qualified under the Act of Congress of February 13, 1922, as amended, known as the "Capper-Volstead Act", and to be rendering service to such handler, a sum not exceeding four (4) cents per hundredweight of milk delivered by the members of such association as a payment for the service of such association to such handler.

ARTICLE X -- EXPENSE OF ADMINISTRATION

- Section 1. Payments by Handlers. As his pro rata share of the expense of the administration hereof, each handler shall, on or before the 15th day after the end of each delivery period, pay to the Market Administrator, with respect to all milk delivered to him by producers or an association of producers or produced by him during such delivery period, a sum not exceeding one (1) cent per hundredweight, the exact sum to be determined by the Market Administrator subject to review by the Secretary. Each handler, who is a cooperative association of producers, shall pay such pro rata share of expense only on that milk received from producers and processed by such association.
- Sec. 2. Suits by Market Administrator. The Market Administrator may maintain a suit in his own name against any handler for the collection of such handler's pro rata share of expense set forth in this article.

ARTICLE XI -- UNFAIR METHODS OF COMPETITION

- Section 1. Unfair Methods of Competition. Each handler shall refrain from the following acts which constitute unfair methods of competition:
- 1. Selling bottled milk to stores, restaurants, hotels and other wholesale accounts without requiring a deposit, at the time of delivery, of one (1) cent per bottle of milk delivered; and
- 2. Indulging in any practices with respect to the transportation of milk and/or the supplying of goods or services to producers from whom milk is purchased, which tend to defeat the purpose and intent of this agreement.

ARTICLE XII -- MARKET ADVISORY COMMITTEE

- Section 1. Representation, Selection, Approval and Removal. Subsequent to the effective date of this agreement, representatives of producers, handlers and consumers, respectively, may certify to the Secretary the selection of three individuals by each such group for membership on the Market Advisory Committee. Upon approval of the Secretary, the nine individuals so selected shall constitute the Market Advisory Committee. Each member of the Market Advisory Committee shall serve for a term of one year unless somer removed by the Secretary. After the Market Advisory Committee has been constituted, vacancies in the membership thereof shall be filled in the same manner as the original selections were made.
 - Sec. 2. Powers. The Market Advisory Committee shall have the power to recommend to the Secretary amendments to this agreement originating within itself or submitted to it by interested parties, after a study of the facts

available to the Market Advisory Committee!

ARTICLE XIII -- RESPONSIBILITY

Section 1. <u>Handlers</u>. The liability of the handlers hereunder is several and not joint and no handler shall be liable for the default of any other handler.

ARTICLE XIV--- SEPARABILITY

Section 1. <u>Separability</u>. If any provision of this agreement is declared invalid or the applicability thereof to any person, circumstance or thing is held invalid, the validity of the remainder of this agreement and/or the applicability thereof to any other person, circumstance or thing shall not be affected thereby.

ARTICLE XV -- DEROGATION

Section 1. <u>Derogation</u>. Nothing contained in this agreement is or shall be construed to be in derogation or in modification of the rights of the Secretary or of the United States (a) to exercise any powers granted by the act or otherwise, and/or (b) in accordance with such powers to act in the premises whenever such action is deemed advisable.

ARTICLE XVI -- ANTI-TRUST LAWS

Section 1. Anti-trust Laws. Any exemption from the anti-trust laws of the United States and/or any validation of any acts or things, which otherwise would have been unlawful, which may result from the execution of this agreement by the Secretary, shall not extend or be construed to extend further than is absolutely necessary for the purpose of carrying out the provisions of this agreement.

ARTICLE XVII -- DURATION OF IMMUNITIES

Section 1. <u>Duration of Immunities</u>. The benefits, privileges and immunities conferred by virtue of this agreement shall cease upon its termination, except with respect to acts done under and during the existence of this agreement, and the benefits, privileges and immunities conferred by this agreement upon any parties signatory hereto shall cease upon its termination as to such party, except with respect to acts done under and during the existence of this agreement.

ARTICLE XVIII -- AGENTS

Section 1. Agents. The Secretary may, by a designation in writing, name any person (not a party to this agreement), including any officer or employee of the Government, or name any Bureau or Division in the Department of Agriculture, to act, as his agent or representative in connection with any of the provisions of this agreement.

ARTICLE XIX -- ORDER WITH MARKETING AGREEMENT

Section 1. Request for Order. Each signatory handler hereby

requests the Secretary to issue an order, pursuant to the act, regulating the handling of milk in the marketing area in the same manner as provided in this agreement.

ARTICLE XX - ADDITIONAL PARTIES AND COUNTERPARTS

- Section 1. Additional Parties. After this agreement first takes effect, any handler may become a party to this agreement if a counterpart thereof is executed by him and by the Secretary. This agreement shall take effect, as to such handler, at such time as the Secretary may declare above his signature attached to such counterpart, and the benefits, privileges and immunities conferred by this agreement shall then be effective as to such handler.
- Sec. 2. Counterparts. This agreement may be executed in multiple counterparts, and when one counterpart is signed by the Secretary all such counterparts shall constitute, when taken together, one and the same instrument as if all such signatures were obtained in one original.

ARTICLE XXI -- AMENDMENTS

- Section 1. Proposals. Amendments to this agreement may, from time to time, be proposed by any party hereto.
- Sec. 2. Hearing and Approval. After due notice and hearing and upon the execution of the proposed amendments by 50 percent or more handlers who, during the month preceding the execution of said amendment or amendments, handled not less than 50 percent of the milk handled in the marketing area, the Secretary may approve such amendments, which shall become effective as provided in article XXII.

ARTICLE XXII --- EFFECTIVE TIME, TERMINATION AND SUSPENSION.

- Section 1. Effective Time. This agreement shall become effective at such time as the Secretary may declare above his signature attached hereto, and shall continue in force until terminated in one of the ways hereinafter specified.
- Sec. 2. Suspension. The Secretary may at any time suspend this agreement, or any provision thereof, as to any or all parties thereto by giving at least ten (10) days notice by means of a press release, or in any other manner which the Secretary may determine.
- Sec. 3. Termination. 1. The Secretary may at any time terminate this agreement, or any provision thereof, as to all parties hereto by giving at least ten (10) days notice by means of a press release or in any other manner which the Secretary may determine.
- 2. The Secretary may at any time terminate this agreement, or any provision thereof, as to any party signatory hereto by giving at least ten (10) days! notice by depositing the same in the mail addressed to such party at his last known address.

- 3. The Secretary shall terminate this agreement at the end of a delivery period next following a delivery period during which such termination is requested by two-thirds of the handlers signatory to this agreement; provided, that such requesting handlers handled not less than two-thirds of the volume of milk handled by all signatory handlers during the delivery period when such request is made.
- 4. This agreement shall in any event terminate whenever the provisions of the act authorizing it cease to be in effect.
- Sec. 4. Effect. Unless otherwise provided by the Secretary in the notice of amendment, termination or suspension of any or all provisions hereof, the amendment, termination or suspension shall not (a) affect, waive or terminate any right, duty, obligation or liability which shall have arisen or may thereafter arise in connection with any provision of this agreement; (b) release or waive any violation of this agreement occurring prior to the effective date of such amendment, termination or suspension; or (c) affect or impair any rights or remedies of the Secretary or of any other person with respect to any such violation.
- Sec. 5. Continuing Power and Duty. If, upon the termination or suspension of this agreement, there are any obligations arising hereunder, the final accrual or ascertainment of which requires further acts by any party hereto, or by the Market Administrator hereunder, or by any other person, the power and/or duty to perform such further acts shall continue notwithstanding such termination or suspension; provided, that any such acts required under the terms of this agreement shall be performed by the market administrator, or, if the Secretary shall so direct, by such other person, persons or agency as the Secretary may designate.
- Sec. 6. Upon the termination or suspension of this agreement or of any provision thereof, the Market Administrator or such person as the Secretary may designate shall, if so directed by the Secretary, liquidate the business of the Market Administrator's office and dispose of all funds and property then in his possession or under his control, together with claims for any funds which are unpaid and owing at the time of such termination or suspension.

The Market Administrator or such other person as the Secretary may designate shall (a) continue in such capacity until discharged by the Secretary; (b) from time to time account for all receipts and disbursements and/or deliver all funds or property on hand, together with the books and records of the Market Administrator or such person, to such person as the Secretary shall direct; and (c) if so directed by the Secretary, execute such assignments or other instruments necessary or appropriate to vest in such person full title to all funds, property and/or claims vested in the Market Administrator or such person pursuant to this agreement.

Any funds collected for expenses, pursuant to the provisions of this agreement, over and above the amounts necessary to meet

outstanding obligations and the expenses necessarily incurred by the Market Administrator or such person in liquidating the business of the Market Administrator's office, shall be distributed by the Market Administrator or such person to the contributing handlers in an equitable manner.

ARTICLE XXIII -- SIGNATURES OF PARTIES

IN WITNESS WHEREOF, the contracting parties, acting under the provisions of the act, for the purposes and subject to the limitations herein contained, and not otherwise, have hereunto set their respective hands and seals.

SEAL
BY
Attest
Date193•
NOW, THEREFORE Agriculture, acting under the provisions of the Agricultural Adjustment Act, as amended, for the purposes and within the limitations therein contained, and not otherwise, does hereby execute this agreement in duplicate under his hand and the official seal of the Department of Agriculture, in the city of Washington, District of Columbia, on this day of 1935, and pursuant to the provisions hereof declares this agreement to be effective on and after , 193.
Secretary of Agriculture

RECORD OF MILK HANDLED DURING THE MONTH OF NOVEMBER 1935.

The undersigned certifies that to the best of his knowledge
as shown by his books and record, he handled during the month of
November 1935, hundredweight of milk
covered by this agreement and marketed within the St. Louis,
Missouri, Marketing Area.
SEAL (Signed)
(Signed)
BY
deposes and says that he has read the foregoing statement by him subscribed and knows the contents thereof and that the same are true and correct to the best of his knowledge and belief.
Notary Public

AUTHORIZATION TO CORRECT TYPOGRAPHICAL ERRORS TO BE EXECUTED BY ALL SIGNERS

We, the undersigned, hereby authorize E. W. Gaumnitz to consent on our behalf to the correction of any typographical errors which the Agricultural Adjustment Administration may consider it advisable to make in the Marketing Agreement Regulating the Handling of Milk in the St. Louis, Missouri, Marketing Area. Firm Name Date Title--Seal (If corporation) Corporation only CERTIFICATE OF RESOLUTION At a duly convened meeting of the Board of Directors of on the day of 1935, the following resolution was adopted: RESOLVED, that shall become a party to the Marketing Agreement Regulating the Handling of Milk in the St. Louis, Missouri, Marketing Area, as read and explained to the meeting, and it is further RESOLVED, That be, and hereby are authorized and directed to sign, execute, and deliver a counterpart of said agreement attached hereto, to the Secretary of Agriculture, together with an authorization naming E. W. Gaumnitz to correct typographical errors. I, _____Secretary of do hereby certify that this is a true and correct copy of a resolution adopted at the above-named

Address of firm

SEAL

meeting, as said resolution appears in the minutes thereof.

UNITED STATES DEPARTMENT OF ACRICULATION & L

UNITED STATES DEPARTMENT OF AGRICULTURE | E | AGRICULTURAL ADJUSTMENT ADMINISTRATION | RECORD | E | CONTROL | CONTRO

I hereby certify that this document is a true and cornect copy of the said Marketing Agreement, as amended, as tentatively approved by the Secretary of Agriculture, March 30, 1936.

Dated: March 30, 1936
Washington, D. C.

Hearing Clerk, U. S. Department of Agriculture

TENTATIVELY APPROVED MARKETING AGREEMENT, AS AMENDED, REGULATING THE HANDLING OF MILK IN THE ST. LOUIS, MISSOURI, MARKETING AREA

WHEREAS, pursuant to Title I of the Agricultural Adjustment Act, approved May 12, 1933, as amended, hereinafter called the "act", the Secretary of Agriculture, hereinafter called the "Secretary", on December 10, 1935, tentatively approved a Marketing Agreement Regulating the Handling of Milk in the St. Louis, Missouri, Marketing Area; and

WHEREAS, the Secretary, having reason to believe that an amendment should be made to said tentatively approved Marketing Agreement, gave, on the 12th day of March 1936, notice of a hearing to be held on the 16th day of March 1936 at St. Louis, Missouri, on a proposed amendment to said tentatively approved Marketing Agreement, and at said time and place conducted a public hearing at which all interested parties were afforded an opportunity to be heard on the proposed amendment to said tentatively approved marketing agreement; and

WHEREAS, the parties hereto, in order to effectuate the declared policy of the act, desire to enter into a Marketing Agreement under the provisions of Title I, section 8b of the act, said Marketing Agreement containing the provisions of the aforementioned tentatively approved Marketing Agreement as amended after the aforementioned hearing;

NOW, THEREFORE, the parties signatory hereto (said parties being the handlers and the Secretary) agree as follows:

- l. That the provisions of the said Marketing Agreement as tentatively approved by the Secretary on the 10th day of December 1935, except as herein amended, shall be the provisions of the Marketing Agreement as if set out in full herein:
- 2. That said provisions be and are hereby amended by deleting paragraph 3 of section 1 of article I thereof and substituting as paragraph 3 of section 1 of article I thereof, the following:

"3. 'St. Louis Marketing Area', hereinafter called the 'Marketing Area', means the territory within the corporate limits of the cities of St. Louis, Kirkwood, and Valley Park, Missouri, and the territory within St. Ferdinand, Normandy,

Clayton, Jefferson, and Carondelet Townships in St. Louis county, Missouri; Chouteau, Venice, Nameoki, Granite City, and Collinsville townships in Madison County, Illinois; and Stites, Canteen, Caseyville, East S. Louis, Centerville, Belleville, St. Clair, Sugar Loaf, and Stockey townships in St. Clair County, Illinois."

3. That said provisions be and are hereby amended by renumbering sections 3 and 4 of article IV thereof as sections 4 and 5 and by adding as section 3 of article IV thereof, the following:

"Sec. 3. Spring Price Change. The prices set forth in section 1 of this article and in paragraphs 1 and 2 of section 2 of this article shall, for 90 days following the effective date hereof and for the months of April, May, and June of each year after 1936, be reduced by 10 cents per hundredweight."

IN WITNESS WHEREOF the contracting handlers, acting under the provisions of the Agricultural Adjustment Act, as amended, for the purposes and subject to the limitations herein contained, and not otherwise, have hereunto set their respective hands and seals.

	Sea	1		
		Ву		
	Att	est		
	,			
Date	, 193	,		

NOW, THEREFORE, , Secretary of Agriculture, acting under the provisions of the Agricultural Adjustment Act, as amended, for the purposes and within the limitations therein contained, and not otherwise, does hereby execute this Agreement in duplicate under his hand and the official seal of the Department of Agriculture, in the City of Washington, District of Columbia, on this day of 1936, and, pursuant to the provisions hereof declares this Agreement to be effective on and after 1936.

Secretary of Agriculture

Docket No. A-44 0-44

Dated at Washington, D.C. by the Secretary of Agriculture, Feb. 27, 1937

UNITED STATES DEPARTMENT OF AGRICULTURE Agricultural Adjustment Administration Washington, D. C.

☆ MAR 2 0 1937 ☆

U.S. I

PROPOSAL TO AMEND ORDER NO. 3, AS AMENDED, REGULATING THE HANDLING OF MILK IN THE ST. LOUIS, MISSOURI, MARKETING AREA AND TO AMEND THE MARKETING AGREEMENT, AS AMENDED, FOR THIS AREA, TENTATIVELY APPROVED DECEMBER 10, 1935, AS AMENDED.

WHEREAS, pursuant to Title I of the Agricultural Adjustment Act, approved May 12, 1933, as amended, hereinafter called the Act, the Secretary of Agriculture, hereinafter called the Secretary, issued an order regulating the handling of milk in the St. Louis, Missouri, Marketing Area, regulative 12:01 A.M., C.S.T., February 1, 1936, which was amended effective 12:01 A.M., C.S.T., April 17, 1936; and

THEREAS, the Secretary tentatively approved the marketing agreement regulating the handling of milk in said marketing area on December 10, 1935, which was amended March 30, 1936; and

WHEREAS, the Secretary has reason to believe that an amendment should be made to said order, as amended, and said tentatively approved marketing agreement, as amended;

NOW, THEREFORE, pursuant to the Act, the Secretary has issued a notice of hearing to be held at the Chase Hotel, St. Louis, Missouri, on March 6, 1937, at 9:30 a.m., for the purpose of receiving evidence as to the following proposed amendment to said order and agreement and as to such other amendments as may be proposed in the hearing:

A. Change the minimum prices in Article IV.



Docket No. 4-44 MAR 20
UNITED STATES DEPARTMENT OF AGRICULTURE U.S.1
AGRICULTURAL ADJUSTMENT ADMINISTRATION

I hereby certify that this document is a true and correct copy of the said tentatively approved Marketing Agreement, as amended, as tentatively approved by the Secretary of Agriculture, March 16, 1937.

Hearing Clerk, U. S. Department of Agriculture

Dated: March 16, 1937. Washington, D. C.

TENTATIVELY APPROVED MARKETING AGREEMENT, AS AMENDED, REGULATING THE HANDLING OF MILK IN THE ST. LOUIS, MISSOURI, MARKETING AREA

WHEREAS, pursuant to Title I of the Agricultural Adjustment Act, approved May 12, 1933, as amended, hereinafter called the act, the Secretary of Agriculture, hereinafter called the Secretary, on December 10, 1935, tentatively approved a Marketing Agreement Regulating the Handling of Milk in the St. Louis, Missouri, Marketing Area; and

WHEREAS, the Secretary, on March 30, 1936, tentatively approved an amendment to said tentatively approved marketing agreement; and

WHEREAS, the Secretary, having reason to believe that an amendment should be made to said tentatively approved marketing agreement, as amended, gave, on February 27, 1937, notice of a hearing to be held on March 6, 1937, at St. Louis, Missouri, on a proposed amendment to said tentatively approved marketing agreement, as amended, and at said time and place conducted a public hearing at which all interested parties were afforded an opportunity to be heard on the proposed amendment to said tentatively approved marketing agreement, as amended; and

WHEREAS, the parties hereto, in order to effectuate the declared policy of the act, desire to enter into a marketing agreement under the provisions of Title I, section 8b of the act;

NOW, THEREFORE, the parties signatory hereto (said parties being the handlers and the Secretary) agree (a) that the provisions of the said marketing agreement as tentatively approved by the Secretary on December 10, 1935, and as amended on March 30, 1936, except as herein amended, shall be the provisions of this marketing agreement as if set out in full herein; and (b) that said provisions be and are hereby amended as follows:

1. Delete section 3 of article IV and renumber sections 4 and 5 as sections 3 and 4.

2. Delete in paragraph 3 of section 1 of article I the words "and Collinsville" and insert the word "and" before Granite City.

IN WITNESS WHEREOF the contracting handlers, acting under the provisions of the act, for the purposes and subject to the limitations herein contained, and not otherwise, have hereunto set their respective hands and seals.

	Seal		
	Ву	***************************************	
	*Attest		
Date			

NOW, THEREFORE,
Secretary of Agriculture, acting under the provisions of the act, for the purposes and within the limitations therein contained, and not otherwise, does hereby execute this Agreement in duplicate under his hand and the official seal of the Department of Agriculture, in the City of Washington, District of Columbia, on this day of , 1937, and pursuant to the provisions hereof, declares this Agreement to be effective on and after , 1937.

Secretary of Agriculture

Docket No. A-61 0-61 1. 94 Distances

Notice of hearing signed by the Secretary of Agriculture
November 22, 1937

UNITED STATES DEPARTMENT OF AGRICULTURE ECLIVED

AGRICULTURAL ADJUSTMENT ADMINISTRATION

Washington, D. C. DEC 3 1937

The Agricultural Marketing Agreement Act of 1937, white menacts and further amends Public No. 10, 73d Congress, as amended, authorizes the Secretary of Agriculture to enter into marketing agreements with, and to issue orders applicable to, processors, producers, associations of producers and others engaged in the handling of milk and its products in the current of interstate or foreign commerce or in a manner which directly burdens, obstructs, or affects interstate or foreign commerce in such commodity or product thereof.

Producers who supply handlers of milk operating in St. Louis, Missouri, have petitioned the Secretary of Agriculture to hold a hearing for the purpose of considering a proposed marketing agreement and order regulating the handling of such milk. A public hearing has been scheduled for December 8, 1937, and will be held at the Chase Hotel, in the Roof Solarium at Lindell and Kingshighway, St. Louis, Missouri.

The provisions of the proposed marketing agreement and the proposed order, as hereinafter set forth, have been prepared for the purpose of discussion at the public hearing and are not to be considered as having received the approval of the Secretary of Agriculture. Testimony for and against the proposed provisions, suggested revisions thereof and any additional provisions that may be offered, as well as testimony with respect to the general economic conditions affecting the handling of milk in the St. Louis, Missouri, marketing area, will be heard at the hearing.

PROPOSED MARKETING AGREEMENT AND PROPOSED ORDER REGULATING THE HANDLING OF MILK IN THE ST. LOUIS, MISSOURI, MARKETING AREA

ARTICLE I - DEFINITIONS

Section 1. Terms. - The following terms shall have the following meanings:

- 1. "Secretary" means the Secretary of Agriculture of the United States.
- 2. "St. Louis Marketing Area", hereinafter called the "marketing area", means the territory within the corporate limits of the city of St. Louis, Missouri, and the territory within St. Ferdinand, Central, Carondelet, and Bonhomme townships in St. Louis County, Missouri; Chouteau, Venice, Nameoki, and Granite City townships in Madison County, Illinois; and Stites, Canteen, Caseyville, East St. Louis, Centerville, Belleville, St. Clair, Sugar Loaf, Stookey, and O'Fallon townships in St. Clair County, Illinois.

- 3. "Person" means any individual, partnership, corporation, association, and any other business unit.
- 4. "Producer" means any person who, in conformity with the health regulations, as applied and enforced by the proper authorities, with respect to milk which is sold for consumption in the form of milk in the marketing area, produces milk and delivers it to a handler.
- 5. "Handler" means any person who purchases or receives milk from producers, associations of producers, or other handlers, all, or a portion, of which milk is sold in the marketing area and who on his own behalf or on the behalf of others engages in such handling of milk as is in the current of interstate commerce or which directly burdens, obstructs, or affects interstate commerce in milk and its products.
 - 6. "Delivery period" means any calendar month.

ARTICLE II - MARKET ADMINISTRATOR

Section 1. <u>Designation</u>.— The agency for the administration hereof shall be a Market Administrator who shall be a person selected by the Secretary. Such person shall be entitled to such compensation as may be determined by, and shall be subject to removal at the discretion of, the Secretary.

Sec. 2. Powers. - The Market Administrator shall:

- 1. Administer the terms and provisions hereof.
- 2. Report to the Secretary complaints of violation of the provisions hereof.

Sec. 3. Duties .- The Market Administrator shall:

- 1. Within 45 days following the date upon which he enters upon his duties, execute and deliver to the Secretary a bond, conditioned upon the faithful performance of his duties, in an amount and with surety thereon satisfactory to the Secretary.
- 2. Pay out of the funds provided by article VII the cost of his bond, his own compensation, and all other expenses necessarily incurred in the maintenance and functioning of his office.
- 3. Keep such books and records as will clearly reflect the transactions provided for herein, and surrender the same to his successor or to such other person as the Secretary may designate.
- 4. Publicly disclose to handlers and producers, unless otherwise directed by the Secretary, the name of any person who, within 2 days after the date upon which he is required to perform such acts has not (a) made reports pursuant to article III or (b) made payments pursuant to article VI and VII.

- 5. Promptly verify the information contained in the reports submitted by handlers.
- Sec. 4. Responsibility. The Market Administrator, in his capacity as such, shall not be held responsible in any way whatsoever to any person for errors in judgment, for mistakes, or for other acts either of commission or omission, except for his own willful misfeasance, malfeasance, or dishonesty.

ARTICLE III - REPORTS OF HANDLERS

Section 1. Submission of Reports. - Each handler shall report to the Market Administrator, in the detail and form prescribed by the Market Administrator, as follows:

- l. On or before the 5th day after the end of each delivery period (a) the receipts of milk at each plant from producers, (b) the receipts of milk at each plant from handlers, (c) the milk, if any, produced by him and (d) the utilization of all receipts of milk for the delivery period.
- 2. Within 10 days after the Market Administrator's request with respect to any producer for whom such information is not in the files of the Market Administrator and with respect to a period or periods of time designated by the Market Administrator (a) the name and address, (b) the total pounds of milk delivered, (c) the average butterfat test of milk delivered and (d) the number of days upon which deliveries were made.
- 3. On or before the 20th day after the end of each delivery period his producer payroll, which shall show for each producer (a) the total delivery of milk with the average butterfat test thereof and (b) the net amount of such producer's payment with the prices, deductions and charges involved.
- 4. On or before the 5th day after the effective date hereof a schedule which will show transportation rates which are charged and paid for the transportation of milk from the farm of each producer to such handler's plant.
- 5. On or before the 5th day after any changes are made in the schedule filed in accordance with paragraph 4, a copy of the revised schedule.
- Sec. 2. Verification of Reports. Each handler shall make available to the Market Administrator or his agent (1) those records which are necessary for the verification of the information contained in the reports submitted in accordance with this article and (2) those facilities which are necessary for the sampling and weighing of the milk of each producer.

ARTICLE IV - CLASSIFICATION OF MILK

- Section 1. Class Definitions. Milk received by each handler, including milk produced by him, if any, shall be classified by the Market Administrator as follows:
- 1. Class I milk shall be all milk sold or given away in the form of milk containing not less than one-half of one percent of butterfat and all milk not specifically accounted for as Class II.
- 2. Class II milk shall be all milk specifically accounted for (a) as actual plant shrinkage but not to exceed 2 percent of total receipts of milk and (b) as being sold or given away in any form other than as milk containing not less than 1/2 of 1 percent of butterfat.
- Sec. 2. Inter-handler and Non-handler Sales. Milk, including skim milk, sold or delivered by a handler to another handler, and milk sold by a handler to a person who is not a handler but who distributes milk or manufactures milk products, shall be classified as Class I milk: Provided, that if the selling handler on or before the 5th day after the end of the delivery period furnishes to the Market Administrator a statement, which is signed by the buyer and the seller, that such milk was disposed of as Class II milk, such milk shall be classified accordingly, subject to verification by the Market Administrator.
- Sec. 3. <u>Computation of Milk in Each Class</u>. For each delivery period, the Market Administrator shall compute for each handler the hundredweight of milk in each class as follows:
 - 1. Determine the hundredweight of milk in Class II as follows:
- (a) Multiply the actual weight of the manufactured products of milk by the percent of butterfat contained therein and divide by the average butterfat test of milk received from producers;
- (b) Multiply the actual weight of the cream, which was not used in manufactured products, by the percent of butterfat contained therein and divide by the average butterfat test of milk received from producers;
- (c) Add, to the amounts computed in (a) and (b), the actual hundredweight of milk constituting plant shrinkage, which shall not exceed 2 percent of the total receipts of milk; and
- (d) If the average butterfat test of the milk sold in the form of milk containing not less than 1/2 of 1 percent of butterfat content by such handler is less than the average butterfat test of the milk received from producers, subtract the hundredweight of skim milk which is necessary to be added to milk of the average butterfat test of milk received from producers to reduce it to the average test of the milk sold in the form of milk containing not less than 1/2 of 1 percent of butterfat content. or

- (e) If the average butterfat test of the milk sold in the form of milk containing not less than 1/2 of 1 percent of butterfat content by such handler is greater than the average butterfat of the milk received from producers, subtract the hundredweight of cream which is necessary to be added to the milk of the average butterfat test of milk received from producers to increase it to the average test of the milk sold in the form of milk containing not less than 1/2 of 1 percent of butterfat content.
- 2. Determine the hundredweight of milk in Class I as follows: subtract, from the total hundredweight of milk received, the hundredweight of Class II milk, computed in paragraph 1.
- 3. Determine the classification of milk received from producers, to which the prices set forth in article V apply, as follows:
- (a) Subtract from the hundredweight of milk in each class the hundredweight of milk received from other handlers and used in said class; and
- (b) In the case of a handler who also distributes milk of his own production, subtract, from the hundredweight of milk in each class, a further quantity which shall be computed as follows: divide the hundredweight of milk in each class by the total hundredweight of all classes, and multiply by the total hundredweight of milk produced by him.

ARTICLE V - PRICES

Section 1. <u>Class Prices</u>.- Each handler shall pay at the time and in the manner set forth in article VI not less than the following prices f.o.b. plant in the marketing area:

Class I milk - \$2.45 per hundredweight: Provided, that where Class I milk is sold outside the marketing area, the price shall be that which the Market Administrator ascertains is being paid to farmers for milk of equivalent use in the market where such milk is sold, subject to a reasonable adjustment on account of transportation from the plant where such milk is received from producers to the plant where such milk is loaded on wholesale and retail routes, which price shall in no event be less than cents below the above price.

Class II milk - The price per hundredweight which shall be calculated by the Market Administrator as follows: multiply by 3.5 the average price per pound of 92-score butter at wholesale in the Chicago market, as reported by the United States Department of Agriculture, for the delivery period during which such milk is delivered, add 30 percent thereof, and add 25 cents: Provided, that if there is in effect during the delivery period a marketing agreement, license, or order, issued by the Secretary, for the evaporated milk industry, the price for milk

used in the manufacture of milk in hermetically sealed containers shall be that price set forth in said marketing agreement, license, or order.

- Sec. 2. Plant Location Adjustment in Class I price.— With respect to Class I milk received by handlers at plants located outside of the marketing area, there shall be deducted the following amounts: For plants located within 20 air-line miles from the City Hall in St. Louis, 16 cents; more than 20 miles but not in excess of 30 miles, 18 cents; more than 30 miles, but not in excess of 40 miles, 20 cents; and for each additional 10 miles in excess of 40 miles, an additional 1 cent: Provided, that Class I milk shall be considered to have been delivered at those plants within and nearest to the marketing area.
- Sec. 3. Plant Location Adjustment in Class II Price. With respect to Class II milk received by handlers at plants located outside the marketing area, there shall be deducted 15 cents per hundredweight.
- Sec. 4. Computation of Uniform Price for Each Handler. For each delivery period, the Market Administrator shall compute for each handler the uniform price per hundredweight of milk f.o.b. marketing area, as follows:
- l. Multiply the hundredweight of milk in each class, computed in accordance with section 3 of article IV, by the respective class price;
- 2. Subtract, if any milk was received at plants outside the marketing area, an amount computed as follows: multiply the hundredweight of milk received at each such plant and used as Class I or Class II by the applicable adjustment set forth in sections 2 and 3;
- 3. Add, if any milk was received at plants outside the marketing area, an amount computed as follows: multiply the hundredweight of milk received at each such plant by the applicable adjustment set forth in section 1 (b) of article VI;
- 4. If, in the verification of the reports from handlers, the market administrator discovers error in the reports submitted by any handler or errors in payments to producers, for any previous delivery period, there shall be added or subtracted, as the case may be, the amount necessary to correct such errors.
- 5. Add, if a fraction of a cent was deducted from the uniform price for the previous delivery period, an amount computed as follows: multiply the hundredweight of milk received from producers during said period by said fraction.
- 6. Divide by the hundredweight of milk received from producers;

- 7. Subtract the fraction of a cent, if any.
- Sec. 5. Adjustment in Uniform Price. In the event that the receipts of milk from producers by all handlers are greater than 30,000,000 pounds for any delivery period, there shall be deducted from the uniform price, computed for each handler for said delivery period, 1 cent per hundredweight for each 1,000,000 pounds or fraction thereof in excess of 30,000,000 pounds: Provided, that such deduction shall not exceed 11 cents per hundredweight.
- Sec. 6. Announcement of Uniform Prices. On or before the 15th day after the end of each delivery period, the Market Administrator shall notify each handler of the uniform price computed for him and shall make public announcement of the same.

ARTICLE VI - PAYMENT FOR MILK

- Section 1. Payment to Producers. On or before the 15th day after the end of each delivery period, each handler shall pay each producer, from whom he has received milk, the uniform price for all milk delivered containing 3.5 percent butterfat: Provided,
- (a) That if the milk delivered is above or below 3.5 percent butterfat content, there shall be added or subtracted for each one-tenth of 1 percent variance, 4 cents per hundredweight when the average price per pound of 92-score butter at wholesale in the Chicago market, as reported by the United States Department of Agriculture for any delivery period, is more than 30 cents, and there shall be added or subtracted 3 cents for each one-tenth of 1 percent variance when the price of said butter is below 30 cents.
- (b) That if any milk is delivered at a plant located outside the marketing area, there shall be deducted the following amounts: For plants located within 20 miles air—line distance from the City Hall, 16 cents; more than 20 miles but not in excess of 30 miles, 18 cents; more than 30 miles but not in excess of 40 miles, 20 cents; and for each 10 miles in excess of 40 miles, an additional 1 cent;
- (c) That 4 cents per hundredweight shall be added to the price of all milk received which is marketed through an association of producers by members thereof or other producers under contract therewith which the Secretary of Agriculture determines (1) to be a bona fide cooperative association organized under the cooperative laws of any state, (2) to be owned and controlled by producers or organizations thereof, and (3) to have had conferred upon it by producers and to have assumed in their behalf, responsibility for the marketing of their milk inclusive of the terms and conditions of sale;
- (d) That handlers shall deduct from payments to be made to all producers who are members of or under contract with an association of

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producers qualified under paragraph (c), such sums as have been duly authorized by said producers to be deducted and of which the handler has received notice through the Market Administrator and pay over such sums directly to such associations.

Sec. 2. Additional Payments. - Any handler may make payments for milk in addition to the payments to be made pursuant to section 1:

Provided, that such additional payments shall be made on a uniform basis to all producers delivering milk to him.

ARTICLE VII - EXPENSE OF ADMINISTRATION

Section 1. Payment by Handlers.— As his pro rata share of the expense of administration hereof, each handler shall, with respect to all milk received from producers, or an association of producers, or produced by him during the delivery period, pay to the Market Administrator on or before the 10th day after the end of each delivery period that amount per hundredweight, subject to review by the Secretary and not to exceed 1 cent per hundredweight, which is announced on or before the 8th day after the end of each delivery period by the Market Administrator.

ARTICLE VIII - UNFAIR METHODS OF COMPETITION

Section 1. <u>Unfair Methods of Competition</u>.— Each handler shall refrain from acts which constitute unfair methods of competition by way of indulging in any practices with respect to the transportation of milk for, and the supplying of goods or services to, producers from whom milk is purchased, which tend to defeat the purpose and intent of this order.

ARTICLE IX - AMENDMENT, SUSPENSION AND TERMINATION

- Section 1. Effect of Amendment, Suspension or Termination. The amendment, suspension or termination of any or all of the provisions of this instrument shall not affect, waive, or terminate any right, duty, obligation, violation or liability which shall have arisen, or may thereafter arise in connection with any of the provisions herein.
- Sec. 2. Power of Market Administrator to Liquidate. Upon the suspension or termination of this instrument, the powers and duties of the Market Administrator shall be continued for the purpose of permitting the Market Administrator then functioning, or such other person as the Secretary may designate, to: (1) reduce all assets to cash, (2) pay all costs of liquidation, (3) distribute all remaining cash on hand to the parties entitled to receive the same, and (4) ship all books and records to the Secretary for filling.

ARTICLE X - LIABILITY

Section 1. Handlers. The liability of the handlers hereunder is several and not joint and no handler shall be liable for the default of any other handler.

N.B. In addition to the foregoing, the following provisions are proposed to be included in a marketing agreement.

ARTICLE XI - AMENDMENTS

Section 1. <u>Proposals.</u>— Amendment of any or all provisions hereof may at any time be proposed in writing by any handler signatory hereto or by the Secretary. Any amendment proposed in writing by any one or more handlers signatory hereto shall be deposited with the Market Administrator who shall give notice of such proposed amendment by promptly mailing the same to the Chief of the Dairy Section, Agricultural Adjustment Administration, U. S. Department of Agriculture, Washington, D. C.

ARTICLE XII - ANTITRUST LAWS

Section 1. Antitrust laws. Any exemption from the antitrust laws and any validation of any acts or things, which otherwise would have been unlawful, resulting from the execution of this Agreement by the Secretary, shall not extend or be construed to extend further than is absolutely necessary for the purpose of carrying out the provisions of this Agreement.

ARTICLE XIII - DURATION OF IMMUNITIES

Section 1. <u>Duration of Immunities</u>.— The benefits, privileges, and immunities conferred by virtue of this Agreement shall cease upon its termination, except with respect to acts done under and during the existence of this Agreement, and the benefits, privileges, and immunities conferred by this Agreement upon any parties signatory hereto shall cease upon its termination as to such party, except with respect to acts done under and during the existence of this Agreement.

ARTICLE XIV - AGENTS

Section 1. Agents. The Secretary may, by a designation in writing, name any person (not a party to this Agreement), including any officer or employee of the Government, or name any bureau or division in the Department of Agriculture, to act as his agent or representative in connection with any of the provisions of this Agreement.

ARTICLE XV - ADDITIONAL PARTIES AND COUNTERPARTS

Section 1. Additional Parties. After this Agreement first takes effect, any handler may become a party to this Agreement if a counterpart thereof is executed by him and by the Secretary. This Agreement shall take effect, as to such handler, at such time as the Secretary may declare above his signature attached to such counterpart, and the benefits, privileges, and immunities conferred by this Agreement shall then be effective as to such handler.

Sec. 2. <u>Counterparts</u>. This Agreement may be executed in multiple counterparts, and when one counterpart is signed by the Secretary all such counterparts shall constitute, when taken together, one and the same instruments, as if all such signatures were obtained in one original.

UNITED STATES DEPARTMENT OF AGRICULTURE AGRICULTURAL ADJUSTMENT ADMINISTRATION WASHINGTON, D. C.

NOTICE OF HEARING WITH RESPECT TO A PROPOSED MARKETING AGREEMENT AND A PROPOSED ORDER REGULATING THE HANDLING OF MILK IN THE ST. LOUIS, MISSOURI, MARKETING AREA

WHEREAS, under the Agricultural Marketing Agrcement Act of 1937, which reenacts and further amends Public No. 10, 73rd Congress, as amended, notice of hearing is required in connection with a proposed marketing agreement and a proposed order, and the General Regulations, Series A, No. 1, as amended, of the Agricultural Adjustment Administration, United States Department of Agriculture, provide for such notice; and

WHEREAS, the Secretary of Agriculture has reason to believe that the execution of a marketing agreement and the issuance of an order will tend to effectuate the declared policy of said act with respect to the handling of milk in the St. Louis, Missouri, Marketing Area;

NOW, THEREFORE, pursuant to the said act and said general regulations notice is hereby given of a hearing to be held on a proposed marketing agreement and a proposed order regulating the handling of milk in the St. Louis, Missouri, Marketing Area, in the Roof Solarium, Chase Hotel, Lindell and Kingshighway, St. Louis, Missouri, on December 8, 1937 at 9:30 a.m.

This public hearing is for the purpose of receiving evidence as to the general economic conditions which may necessitate regulation in order to effectuate the declared policy of the act and as to the specific provisions which a marketing agreement and order should contain.

The proposed marketing agreement and the proposed order each embodies, in similar terms, a plan for the regulation of such handling of milk in the St. Louis, Missouri, Marketing Area as is in the current of interstate commerce, or which directly burdens, obstructs, or affects interstate commerce in such milk. Among other things, the proposed marketing agreement and order provide for:

(a) selection of a market administrator; (b) classification of milk; (c) minimum prices; (d) payments to producers through the use of individual handler pools; (e) reports of handlers; (f) expense of administration.

It is hereby declared that an emergency exists in the handling of milk in the St. Louis, Missouri, Marketing Area, which requires a shorter period of notice than fifteen (15) days; and it is hereby determined that the period of notice given is reasonable under the circumstances.

Copies of the proposed marketing agreement and proposed order may be inspected in or procured from the office of the Hearing Clerk, Room 0318, South Building, United States Department of Agriculture, Washington, D. C.

/s/ H. A. WALLACE Secretary of Agriculture

Dated: November 22, 1937. Washington, D. C.

Docket No. A-87 0-87

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Notice of Hearing signed by the Secretary of Agriculture December 9, 1938.

UNITED STATES DEPARTMENT OF AGRICULTURE AGRICULTURAL ADJUSTMENT ADMINISTRATION

PROPOSED AMENDMENTS TO THE TENTATIVELY APPROVED MARKETING
AGREEMENT, AS AMENDED, AND TO ORDER NO. 3, AS AMENDED,
REGULATING THE HANDLING OF MILK IN THE ST. LOUIS, MISSOURI,
MARKETING AREA, UPON WHICH THE SECRETARY OF AGRICULTURE
HAS ISSUED NOTICE OF HEARING UNDER THE AGRICULTURAL LARKETING AGREEMENT ACT OF 1937

The Sanitary Hilk Producers has presented to the Secretary a petition for public hearing to amend Order No. 3, as amended, regulating the handling of milk in the St. Louis, Missouri, marketing area. The proposed amendment set forth below relative to the marketing area and a proposal to review the prices provided in Order No. 3, as amended, in the light of present economic conditions in the market have been suggested by the above association of producers.

Other amendments are proposed for consideration for the purpose of clarifying many of the provisions of Order No. 3, as amended, from an operating and administrative standpoint.

The Agricultural Marketing Agreement Act of 1937 authorizes the Secretary of Agriculture, after due notice of and opportunity for hearing, to amend orders regulating the handling of milk which have been issued by the Secretary. On April 1, 1937, Order No. 3, as amended, became effective. On March 16, 1937, the Secretary gave his tentative approval to a marketing agreement, as amended, regulating the handling of milk in the St. Louis, Missouri, marketing area, which marketing agreement, as amended, the handlers have failed or refused to sign.

In response to the petition of the above named producers' association, the Secretary of Agriculture has issued notice of a hearing to be held at the Chase Hotel, St. Louis, Missouri, beginning at 10:00 a.m., c.s.t., December 13, 1938. At the above time and place opportunity will be given for interested parties to present evidence with respect to each of the proposed amendments, which are to be considered as applying alike to Order No. 3, as amended, and to the marketing agreement, as amended, tentatively approved March 16, 1937. It is suggested that the interests of each party will be best served by a concise presentation of relevant facts in his possession, which he feels the Secretary of Agriculture should have in the record of the public hearing upon which to base a decision regarding each of the proposed amendments, reserving his arguments for filing in written form at the close of the hearing. Handlers will have the opportunity to sign a marketing agreement embodying the same terms as Order No. 3, as amended, with such amendments as may be determined from this hearing. If upon the facts in the record the Secretary of Agriculture decides that he should amend Order No. 3; as amended, the content of such amendment will be made known to producers and their approval or disapproval of the amendment determined.

The proposed amendments upon which the hearing will be held are set forth below. Their publication in this form is for the convenience of interested

parties and is not to be considered as in any way signifying their approval by the Secretary of Agriculture.

Proposed Amendments

- 1. Delete paragraph 1 of section 1 of article I and substitute therefor the following:
- "1. 'Act' means the Agricultural Marketing Agreement Act of 1937, which reenacts and further amends certain provisions of Public No. 10, 73d Congress, as amended."
- 2. Delete paragraph 3 of section 1 of article I and substitute therefor the following:
- "3. 'St. Louis marketing area', hereinafter called the 'marketing area' means the territory within the corporate limits of the cities of St. Louis, Kirkwood, and Valley Park, Missouri, and the territory within St. Fordinand, Normandy, Clayton, Jefferson and Carondelet Townships in St. Louis County, Missouri; and East St. Louis, Centerville, Canteen, and Stites Townships in St. Clair County, Illinois."
 - 3. Delete section 5 of article II.
 - 4. Delete section 1 of article III and substitute therefor the following:
- "Section 1. Class Definitions. Milk received by each handler, including milk produced by him, if any, shall be classified by the market administrator as follows:
- "1. Class I milk shall be all milk sold or given away in the form of milk containing not less than one-half of one percent of butterfat and all milk not specifically accounted for as Class II milk.
- "2. Class II milk shall be all milk specifically accounted for (a) as actual plant shrinkage, but not to exceed 3 percent of total receipts of milk, and (b) as being sold or given away in any form other than as milk containing not less than one-half of one percent of butterfat."
 - 5. Delete section 3 of article IV and substitute therefor the following:
- "Section 3. Sales Outside the Marketing Area. The price for Class I milk set forth in section 1 of this article shall not apply to milk sold or disposed of in such class outside the marketing area. However, the market administrator, in computing the uniform price for each handler pursuant to section 1 of article VIII, shall determine the value of such milk by applying the price per hundredweight which the handler has reported pursuant to section 5 of article V."
 - 6. Add the following as paragraphs 3, 4, and 5 of section 2 of article V.

- "3. As soon as possible after the date on which the handler stops receiving milk from any producer (a) the name and address of such producer and (b) the date on which the milk of such producer was last received.
- "4. On or before the tenth day after the effective date hereof a schedule which will show transportation rates which are charged and paid for the transportation of milk from the farm of each producer to such handler's plant or plants.
- "5. On or before the tenth day after any changes are made in the schedule filed in accordance with paragraph 4 of this section, a copy of the revised schedule with the effective dates of such changes as may appear in the revised schedule."
 - 7. Add as section 5 of article V the following:

"Section 5. Reports on Milk Sold Outside the Marketing Area. — Each handler shall report on or before the fifth day after the end of each delivery period the sale or disposition of Class I milk outside the marketing area, pursuant to section 3 of article IV as follows: (a) the amount and the utilization of such milk, (b) the date or dates of such sale or disposition, (c) the point of use, (d) the plant from which such milk is shipped, (e) the price per hundredweight to be paid producers for such milk, and (f) such other information with respect thereto as the market administrator may require."

8. Add to section 4 of article V the following:

"If, in the verification of the report of purchases and sales of the handler for any previous delivery period, the market administrator finds that differences occur between the reported and actual quantities of milk received or between the reported and actual quantities of milk disposed of in each class, he shall make the adjustments in such quantities of milk necessary to account for such differences and shall add to, or subtract from, the value of milk in the current pool for such handler, computed pursuant to section 1 of article VIII, an amount of money representing the value, at the class price effective during the delivery period for which the verification is being made, of milk accounted for by such adjustments."

9. Delete section 1 of article VIII and substitute therefor the following:

"Section 1. Computation of the Value of Milk for Each Handler.— For each delivery period the market administrator shall compute, subject to the provisions of article VII, the value of milk sold or used by each handler, which was not purchased from other handlers by (a) multiplying the hundredweight of Class I milk sold or disposed of in the marketing area by the Class I price, (b) multiplying the total hundredweight of Class II milk by the Class II price, (c) adding together the resulting amounts, and (d) adding to the sum obtained in (c) of this paragraph an amount equal to the total value of Class I milk sold or disposed of outside of the marketing area, determined in accordance with section 3 of article IV."



UNITED STATES DEPARTMENT OF AGRICULTURE AGRICULTURAL ADJUSTMENT ADMINISTRATION Washington, D. C.

NOTICE OF HEARING WITH RESPECT TO A PROPOSAL TO AMEND THE TENTATIVELY APPROVED MARKETING AGREEMENT, AS AMENDED, AND ORDER NO. 3, AS AMENDED, REGULATING THE HANDLING OF MILK IN THE ST. LOUIS, MISSOURI, MARKETING AREA.

WHETEAS, under section 8 c of Title I of Public Act No. 10, 73rd Congress, as amended, the Secretary of Agriculture, hereinafter called the Secretary, issued an order regulating the handling of milk in the St. Louis, Missouri, Marketing Area, effective February 1, 1936, which order was amended effective April 17, 1936 and April 1, 1937; and

VHEREAS, the Secretary tentatively approved a marketing agreement regulating the handling of milk in the said area on December 10, 1935, amendments to which tentatively approved marketing agreement were tentatively approved on March 30, 1936, and on March 16, 1937; and

WHEREAS, the Sanitary Milk Producers has proposed certain amendments to said order, as amended, and to said tentatively approved marketing agreement, as amended; and

WHEREAS, the Secretary has reason to believe that an amendment of said order, as amended, and of said tentatively approved marketing agreement, as amended, will tend to effectuate the declared policy of Public Act No. 10, 73rd Congress, as amended and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937; and

WHEREAS, under the aforesaid act notice of hearing is required in connection with a proposal to amend an order, and the General Regulations, Series A, No. 1, as amended, of the Agricultural Adjustment Administration, United States Department of Agriculture, provide for notice and opportunity for hearing upon amendments to marketing agreements and orders:

NOW, THEREFORE, pursuant to said act and general regulations, notice is hereby given of a hearing to be held on said proposals to amend the order, as amended, and the tentatively approved marketing agreement, as amended, regulating the handling of milk in the St. Louis, Missouri, Marketing Area, at the Chase Hotel, St. Louis, Missouri, at 10:00 a.m., c.s.t., December 14, 1938.

This public hearing is for the purpose of receiving evidence as to the necessity for (1) redefining the marketing area to coincide with that portion of the present marketing area which must now be supplied

with milk of such quality as to meet the requirements of a health ordinance similar to those of the United States ordinance relative to milk, (2) revising the classification of milk, (3) revising the minimum prices provided in said marketing agreement, as amended, and said order, as amended, (4) clarifying the method of computation of the value of milk of each handler, (5) making changes in the wording of said marketing agreement, as amended, and said order, as amended, for the purpose of affording more effective administration thereof, and (6) changing any other provisions of said marketing agreement, as amended, and said order, as amended.

Copies of the proposed amendments to the said order, as amended, and the said marketing agreement, as amended, may be inspected in or procured from Room 0318, South Building, United States Department of Agriculture, Washington, D. C.

/s/ H. A. Wallace
Secretary of Agriculture

Dated: December 9, 1938

Washington, D. C.

Docket No. A-87-1 0-87-1 Notice of reopening of hearing signed by the Secretary of Agriculture January 27, 1939.

UNITED STATES DEPARTMENT OF AGRICULTURE AGRICULTURAL ADJUSTMENT ADMINISTRATION

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COMPILATION OF CERTAIN PROVISIONS OF ORDER NO. 3, AS AMENDED,
REGULATING THE HANDLING OF MILK IN THE ST. LOUIS, MISSOURI,
MARKETING AREA INCLUDING CERTAIN TENTATIVE AMENDMENTS TO SUCH
ORDER

Prior to the issuance of amendments to the order regulating the handling of milk in the St. Louis marketing area the Secretary desires that an opportunity be given to interested parties to present arguments in support of or in opposition to the issuance of such amendments.

The following is the form in which the substantive provisions of Order No. 3, as amended, would appear if the amendments formulated after the hearing held on December 14, 1938, were issued by the Secretary.

ORDER NO. 3, AS AMENDED, REGULATING THE HANDLING OF MILK IN THE ST. LOUIS, MISSOURI, MARKETING AREA*

Sec. 903.2 <u>Definitions</u>. (a) <u>Terms</u>. The following terms shall have the following meanings:

- (1) "Act" means Public Act No. 10. 73d Congress, as amended, and as recnacted and amended by the Agricultural Marketing Agreement Act of 1937 (50 Stat. 246).
- (2) "Secretary" means the Secretary of Agriculture of the United States.
- (3) "St. Louis marketing area," hereinafter called the "marketing area," means the territory within the corporate limits of the cities of St. Louis, Kirkwood, and Valley Park, Missouri; the territory within St. Ferdinand, Normandy, Clayton, Jefferson, and Carondelet townships in St. Louis County, Missouri; and the territory within East St Louis, Centerville, Canteen, and Stites townships in St. Clair County, Illinois.
- (4) "Person" means any individual, partnership, corporation, association, and any other business unit.
- (5) "Producer" means any person, irrespective of whether any such person is also a handler, who produces milk in conformity with, or subject to, the health requirements applicable for milk to be sold for consumption as milk in the market area.

^{*}Sections 903.2 through Sec. 903.17 issued under authority contained in 48 Stat. 31 as amended; 7 U.S.C. 8a(2)(3); 50 Stat. 246; 7 U.S.C. 608 b and c.

- (6) "Handler" means any person who, on his own behalf or on behalf of others, purchases or receives milk from producers, associations of producers, or other handlers, all, or a portion, of which milk is disposed of as milk in the marketing area, and who, on his own behalf or on behalf of others engages in such handling of milk as is in the current of interstate commerce or which directly burdens, obstructs, or affects interstate commerce in milk and its products.
- (7) "Market administrator" means the person designated pursuant to Sec. 903.3 as the agency for the administration hereof.
- (8) "Delivery period" means the current marketing period from the first to the last day of each month, both inclusive.*
- Sec. 903.3 Market administrator. (a) Selection, removal, and bond. The market administrator shall be selected, and shall be subject to removal at any time, by the Secretary. Within forty-five (45) days following the date upon which he enters upon his duties, the market administrator shall execute and deliver to the Secretary a bond conditioned upon the faithful performance of his duties, in an amount and with surety thereon satisfactory to the Secretary.
- (b) Compensation. The market administrator shall be entitled to such reasonable compensation as may be determined by the Secretary.
 - (c) Powers. The market administrator shall have power:
 - (1) To administer the terms and provisions hereof; and
- (2) To receive, investigate, and report to the Secretary complaints of violations of the terms and provisions hereof.
- (d) <u>Duties</u>. The market administrator, in addition to the duties hereinafter described, shall:
- (1) Keep such books and records as will clearly reflect the transactions provided for herein;
- (2) Submit his books and records to examination by the Secretary at any and all times;
- (3) Furnish such information and such verified reports as the Secretary may request:
- (4) Obtain a bond with reasonable surety thereon covering each employee who handles funds entrusted to the market administrator;
- (5) Employ and fix the compensation of such persons as may be necessary to enable him to administer the terms and provisions hereof;

- (6) Furnish to the market advisory committee, when the same has been duly constituted, factual information in the form of general statements; provided, that such statements shall not identify the information furnished to the market administrator by any person;
- (7) Publicly disclose to handlers and producers, unless otherwise directed by the Secretary, the name of any handler who, within fifteen (15) days after the date upon which he is required to perform such acts. has not (a) made reports pursuant to Sec. 903.6 and (b) made payments pursuant to Sec. 903.10; and
- (8) Pay, out of the funds provided by Sec. 903.11, (a) the cost of his bond and of the bonds of such of his employees as handle funds entrusted to the market administrator, (b) his own compensation, and (c) all other expenses which will necessarily be incurred for the maintenance and functioning of his office and the performance of his duties.*
- Sec. 903.4 Classification of milk. (a) Class definitions. Milk received by each handler, including milk produced by him, if any, shall be classified by the market administrator as follows:
- (1) Class I milk shall be all milk disposed of in the form of milk containing not less than one-half of one percent of butterfat and all milk not specifically accounted for as class II milk.
- (2) Class II milk shall be all milk specifically accounted for (a) as actual plant shrinkage, but not to exceed three (3) percent of the total receipts of milk from producers and (b) as being disposed of in any form other than as milk containing not less than one-half of one percent of butterfat.
- (b) Interhandler sales. Milk sold as milk or cream by a handler to another handler shall be presumed to be class I milk; provided, that if such selling handler, on or before the date fixed for filing reports pursuant to Sec. 903.6, shall furnish proof satisfactory to the market administrator that such milk has been sold or used by the purchasing handler other than as class I milk, then, and in that event, such milk shall be classified as class II milk.
- (c) Source of class I milk. The milk which was sold or distributed by each handler as class I milk shall be presumed to have been that milk which was delivered to such handler at plants within and nearest to the marketing area.*
- Sec. 903.5 Minimum prices. (a) Class I prices. Each handler shall pay producers, in the manner set forth in Sec. 903.10 for class I milk, not less than the following prices:
- (1) In the case of milk received at such handler's plant located in the marketing area, \$2.20 per hundredweight;

- (2) In the case of milk received from producers at such handler's plant outside the marketing area, \$2.20 per hundredweight less the amount specified for the airline distance of such plant from the City Hall in St. Louis, as follows: Within five miles, four cents; more than five miles but not in excess of ten miles, eight cents; more than ten miles but not in excess of fifteen miles, twelve cents; more than fifteen miles but not in excess of twenty miles, sixteen cents; more than twenty miles but not in excess of thirty miles, an additional two cents; more than thirty miles but not in excess of forty miles, an additional two cents; and for each additional ten miles, in excess of forty miles, an additional one cent.
- (b) Class II prices. Each handler shall pay producers, in the manner set forth in Sec. 903.10, for class II milk, not less than the following prices:
- (1) In the case of milk delivered to such handler's plant located in the marketing area, a price per hundredweight which shall be calculated by the market administrator as follows: Multiply by 3.5 the average price per pound of 92-score butter at wholesale in the Chicago market, as reported by the United States Department of Agriculture for the delivery period during which such milk is purchased, add 30 percent thereof and add 15 cents;
 - (2) In the case of milk delivered to such handler's plant located outside the marketing area, the price calculated by the market administrator pursuant to subparagraph (1) of paragraph (b) of this section less 15 cents: and
 - (3) In the case of milk used by such handler for evaporated milk in hermetically sealed containers, the price set forth in the Marketing Agreement and License for Evaporated Milk, issued by the Secretary May 31, 1935.
 - (c) Price adjustment. For each delivery period during which the total receipts of milk by handlers from producers exceed 29,000,000 pounds, as determined by the market administrator from reports submitted by handlers pursuant to Sec. 903.6(a), the prices set forth in paragraph (a) and in paragraph (b) of this section shall be reduced one cent per hundredweight for each one million pounds, or part thereof, of milk received by handlers from producers in excess of 29,000,000 pounds.
 - (d) Sales outside the marketing area. The price for class I milk set forth in paragraph (a) of this section shall not apply to milk disposed of in such class outside the marketing area. However, the market administrator, in computing the uniform price for each handler pursuant to Sec. 903.9(a), shall determine the value of such milk by applying the price per hundredweight which the handler has reported pursuant to Sec. 903.6(e).
 - (e) <u>Publication of class II price</u>. On or before the second day after the end of each delivery period, the market administrator shall publicly announce the class II price in effect for such delivery period.*

Sec. 903.6 Reports of handlers. (a) Periodic reports. On or before the fifth day after the end of each delivery period, each handler shall, with respect to milk or cream handled by him during such delivery period, report to the market administrator, in the detail and form prescribed by the market administrator, as follows:

- (1) The receipts at each plant from producers who are not handlers;
- (2) The receipts at each plant from any other handler, including any handler who is also a producer;
 - (3) The quantity, if any, produced by the handler;
 - (4) The receipts at each plant from any other source; and
- (5) The respective quantities of milk which were sold or used, including sales to other handlers, for the purpose of classification pursuant to Sec. 903.4.
- (b) Reports as to producers. Each handler shall report to the market administrator:
- (1) Within ten (10) days after the market administrator's request, with respect to any producer for whom such information is not in the files of the market administrator and with respect to a period or periods of time designated by the market administrator (a) the name and address, (b) the total pounds of milk delivered, (c) the average butterfat test of milk delivered, and (d) the number of days on which deliveries were made.
- (2) As soon as possible after first receiving milk from any producer, (a) the name and address of such producer and (b) the date on which such milk was first received.
- (3) As soon as possible after the date on which the handler stops receiving milk from any producer (a) the name and address of such producer and (b) the date on which the milk of such producer was last received.
- (4) On or before the tenth day after the request of the market administrator a schedule which will show transportation rates which are charged and paid for the transportation of milk from the farm of such producer to each handler's plant or plants.
- (5) On or before the tenth day after any changes are made in the schedule filed in accordance with subparagraph (4) of this paragraph, a copy of the revised schedule with the effective dates of such changes as may appear in the revised schedule.
- (c) Report of payment to producers. Each handler shall submit to the market administrator, within twenty (20) days after the end of

each delivery period, his producer pay roll, or a report, which shall show, for such delivery period and for each and every producer, (a) his total delivery of milk with the average butterfat test thereof and (b) the net amount of the payment made to him with the prices, deductions and charges involved.

- Verification of reports. In order that the market administrator may submit verified reports to the Secretary pursuant to Sec. 903.3(d)(3), each handler shall permit the market administrator or his representative, during the usual hours of business, to (a) verify the information contained in reports submitted by such handler pursuant to this section and to Sec. 903.7, and (b) weigh, sample, and test milk for butterfat. If, in the verification of the report of purchases and sales of the handler for any previous delivery period, the market administrator finds that differences occur between the reported and actual quantities of milk received or between the reported and actual quantities of milk disposed of in each class, he shall make the adjustments in such quantities of milk necessary to account for such differences and shall add to, or subtract from, the value of milk in the current pool for such handler, computed pursuant to Sec. 903.9(a), an amount of money representing the value, at the class prices effective during the delivery period for which the verification is being made, of milk accounted for by such adjustments.
- (e) Reports on milk sold outside the marketing area. Each handler shall report on or before the fifth day after the end of each delivery period the disposition of class I milk outside the marketing area, as follows: (a) the amount of such milk, (b) the date or dates of such disposition, (c) the point of use, (d) the plant from which such milk is shipped, (e) the price per hundredweight to be paid producers for such milk, and (f) such other information with respect thereto as the market administrator may require.*
- Sec. 903.7 Handlers not handling class I milk. (a) Application of provisions. Any handler who does not handle class I milk and who does not receive milk from producers shall, on or before the eighth day after the end of each delivery period, report to the market administrator the total quantity of cream and other milk products sold to each handler in the marketing area during such delivery period.*
- Sec. 903.8 Handlers who are also producers. (a) Milk purchased from producers. In the case of a handler who is also a producer and has purchased milk from producers, the market administrator shall, in the computations set forth in Sec. 903.9, first exclude the milk purchased by him in each class from other handlers and then apportion the milk purchased by him from producers to each class according to the ratio which such handler's remaining total sales in each class bears to his remaining total sales in all classes.*

Sec. 903.9 Determination of uniform prices to producers. (a) Computation of the value of milk for each handler. For each delivery period the market administrator shall compute, subject to the provisions of

Sec. 903.8, the value of milk disposed of by each handler, which was not purchased from other handlers by (a) multiplying the hundredweight of class I milk disposed of in the marketing area by the class I price, (b) multiplying the total hundredweight of class II milk by the class II price, (c) adding together the resulting amounts, and (d) adding to the sum obtained in (c) of this paragraph an amount equal to the total value of class I milk disposed of outside of the marketing area, determined in accordance with Sec. 903.5(d).

- (b) Computation and announcement of uniform price for each handler. The market administrator shall compute and announce for each handler the uniform price per hundredweight of milk delivered to him by producers during each delivery period as follows:
- (1) Add to the value computed pursuant to paragraph (a) of this section the amount of adjustment to be made pursuant to Sec. 903.10(d);
- (2) Subtract the total amount to be paid pursuant to Sec. 903.10 (a)(2);
- (3) Divide by the total quantity of milk delivered by producers other than the milk represented by the amount subtracted in subparagraph (2) of this paragraph;
- (4) On or before the 10th day after the end of each delivery period, notify each handler of the uniform price computed for him; and
- (5) On or after the 15th day after the end of each delivery period, publicly announce the uniform price computed for each handler pursuant to this section with the differentials applicable pursuant to Sec. 903.10(d).*
- Sec. 903.10 Payments for milk. (a) Time and method of payment. On or before the 15th day after the end of each delivery period, each handler shall make payment, subject to the butterfat differential set forth in paragraph (c) of this section, for the total value of milk received from producers during such delivery period as follows:
- (1) To producers, except as set forth in subparagraph (2) of this paragraph, at the uniform price per hundredweight computed for such handler pursuant to Sec. 903.9, subject to the country station differentials set forth in paragraph (d) of this section; and
- (2) To any producer, who did not regularly sell milk during a period of 30 days next preceding the effective date hereof to a handler or to persons within the marketing area, for all the milk delivered by such producer during the period beginning with the first regular delivery by such producer and continuing until the end of two full calendar months following the first day of the next succeeding calendar month, at the class II price in effect at such handler's plant where such producer delivered milk.

- (b) Errors in payments. Errors in making the payments prescribed in this section shall be corrected not later than the date for making payments next following the determination of such errors.
- (c) Butterfat differential. (1) If, during any delivery period, a handler has received from a producer milk having an average butterfat content more than 3.5 percent, such handler, in making payments pursuant to paragraph (a) of this section shall add to the price to be paid such producer, for each one-tenth of one percent of average butterfat content above 3.5 percent, an amount per hundredweight as follows:
- (i) Not less than three cents, if the average butter price used in Sec. 903.5(b)(1) is 30 cents or less:
- (ii) Not less than three and one-half conts, if the average butter price used in Sec. 903.5(b)(1) is more than 30 cents but not more than 35 cents; or
- (iii) Not less than four cents, if the average butter price used in Sec. 903.5(b)(1) is more than 35 cents.
- (2) If during any delivery period, a handler has received from a producer milk having an average butterfat content less than 3.5 percent, such handler, in making payments pursuant to paragraph (a) of this section shall deduct from the price to be paid such producer, for each one-tenth of one percent of average butterfat content below 3.5 percent, an amount per hundredweight as follows:
- (i) Not more than three cents, if the average butter price used in Sec. 903.5(b)(1) is 30 cents or less;
- (ii) Not more than three and one-half cents, if the average butter price used in Sec. 903.5(b)(l) is more than 30 cents but not more than 35 cents; or
- (iii) Not more than four cents, if the average butter price used in Sec. 903.5(b)(1) is more than 35 cents.
- -(d) Country station differentials. In making payments pursuant to paragraph (a)(l) of this section for milk received from producers at plants located outside the marketing area, if any, each handler shall deduct the amount per hundredweight specified for the airline distance of any such plant from the City Hall in St. Louis as follows: Within five miles, four cents; more than five miles but not in excess of ten miles, eight cents; more than ten miles but not in excess of fifteen miles, twelve cents; more than fifteen miles but not in excess of twenty miles, sixteen cents; more than twenty miles but not in excess of thirty miles, an additional two cents; more than thirty miles but not in excess of forty miles, an additional two cents; and for each additional ten miles in excess of forty miles, an additional one cent.

- (e) Additional payments. (1) Any handler may make payments to producers in addition to the payments to be made pursuant to paragraph (a) of this section; provided, that such additional payments shall be uniform as among all producers similarly circumstanced.
- (2) Each handler shall pay to any producers' cooperative association, which the Secretary determines to be qualified under the Act of Congress of February 13, 1922, as amended, known as the "Capper-Volstead Act", and to be rendering services to such handler, a sum not exceeding four (4) cents per hundredweight of milk delivered by the members of such association as a payment for the service of such association to such handler.*
- Sec. 903.11 Expense of administration. (a) Payments by handlers. As his pro-rata share of the expense of the administration hereof, each handler shall, on or before the 15th day after the end of each delivery period, pay to the market administrator, with respect to all milk delivered to him by producers or an association of producers or produced by him during such delivery period, a sum not exceeding one (1) cent per hundredweight, the exact sum to be determined by the market administrator subject to review by the Secretary. Each handler, who is a ministrator subject to review by the Secretary such pro-rata share of cooperative association of producers, shall pay such pro-rata share of expense only on that milk received from producers at any plant of such association.
- (b) Suits by market administrator. The market administrator may maintain a suit in his own name against any handler for the collection of such handler's pro-rata share of expense set forth in this article.*
- Sec. 903.12 Unfair methods of competition. Each handler shall refrain from acts which constitute unfair methods of competition by way of indulging in any practices with respect to the transportation of milk for, and the supplying of goods or services to, producers from whom milk is purchased, which tend to defeat the purpose and intent of this order.*
- Sec. 903.13 Market advisory committee. (a) Representation, selection, approval and removal. Subsequent to the effective date of this order, representatives of producers, handlers and consumers, respectively, may certify to the Secretary the selection of three individuals by each such group for membership on the market advisory committee. Upon approval of the Secretary, the nine individuals so selected shall constitute the market advisory committee. Each member of the market advisory committee shall serve for a term of one year unless sooner removed by the Secretary. After the market advisory committee has been constituted, vacancies in the membership thereof shall be filled in the same manner as the original selections were made.
 - (b) Powers. The market advisory committee shall have the power to recommend to the Secretary amendments to this order originating within itself or submitted to it by interested parties, after a study of the facts available to the market advisory cosmittee.*

Sec. 903.14 Separability. If any provision of this order is declared invalid or the applicability thereof to any person, circumstance or thing is held invalid, the validity of the remainder of this order and the applicability thereof to any other person, circumstance or thing shall not be affected thereby.*

Sec. 905.15 Derogation. Nothing contained in this order is or shall be construed to be in derogation or in modification of the rights of the Secretary or of the United States (a) to exercise any powers granted by the act or otherwise, and (b) in accordance with such powers to act in the premises whenever such action is deemed advisable.*

Sec. 903.16 Duration of immunities. The benefits, privileges and immunities conferred by virtue of this order shall cease upon its termination, except with respect to acts done under and during the existence of this order, and the benefits, privileges and immunities conferred by this order upon any handler shall cease upon its termination, except with respect to acts done under and during the existence of this order.*

Sec. 903.17 Effective time, termination and suspension. (a) Effective time. This order shall become effective at such time as the Secretary may declare above his signature attached hereto, and shall continue in force until terminated in one of the ways hereinafter specified.

- (b) <u>Suspension</u>. The Secretary may at any time suspend this order, or any provision thereof, by giving at least ten (10) days' notice by means of a press release or in any other manner which the Secretary may determine.
- (c) Termination. (1) The Secretary may at any time terminate this order, or any provision thereof, by giving at least ten (10) days notice by means of a press release or in any other manner which the Secretary may determine.
- (2) The Secretary shall terminate this order at the end of any delivery period whenever he finds that such termination is favored by a majority of the producers of milk who during the preceding delivery period have been engaged in the production for market of milk in the marketing area: Provided, That such majority have during such period produced for market more than fifty (50) percent of the volume of such milk produced for market within said marketing area.
- (3) This order shall in any event terminate whenever the provisions of the act authorizing it cease to be in effect.
- (d) Effect. Unless otherwise provided by the Secretary in the notice of amendment, termination or suspension, of any or all provisions hereof, the amendment, termination or suspension shall not (a) affect, waive or terminate any right, duty, obligation or liability which shall have arisen or may thereafter arise in connection with any provision of this order; (b) release or waive any violation of this order occurring prior to the effective date of such amendment, termination or suspension;

- or (c) affect or impair any rights or remedies of the Secretary or of any other person with respect to any such violation.
- (e) Continuing power and duty. (1) If, upon the termination or suspension of this order, there are any obligations arising hereunder, the final accrual or ascertainment of which requires further acts by any handler, or by the market administrator, or by any other person, the power and duty to perform such further acts shall continue notwithstanding such termination or suspension; provided, that any such acts required under the terms of this order to be performed by the market administrator shall, if the Secretary so directs, be performed by such other person, persons, or agency as the Secretary may designate.
- (2) The market administrator or such other person as the Secretary may designate shall (a) continue in such capacity until discharged by the Secretary; (b) from time to time account for all receipts and disbursements and deliver all funds or property on hand, together with the books and records of the market administrator or such person, to such person as the Secretary shall direct; and (c) if so directed by the Secretary, execute such assignments or other instruments necessary or appropriate to vest in such person full title to all funds, property and claims vested in the market administrator or such person pursuant to this order.
- (f) Liquidation. (1) Upon the termination or suspension of this order or of any provision thereof, the market administrator or such person as the Secretary may designate shall, if so directed by the Secretary, liquidate the business of the market administrator's office and dispose of all funds and property then in his possession or under his control, together with claims for any funds which are unpaid and owing at the time of such termination or suspension.
- (2) Any funds collected for expenses, pursuant to the provisions of this order, over and above the amounts necessary to meet outstanding obligations and the expenses necessarily incurred by the market administrator or such person in liquidating the business of the market administrator or such person to the contributing handlers in an equitable manner.
- (g) Determination of emergency. The Secretary hereby determines that an emergency exists which requires a shorter period of notice than three days, and that the period of notice, with respect to the issuance of this order, which is hereinafter provided, is reasonable under the circumstances.*
 - Note: If the amendments to the order formulated after the last public hearing are executed by the Secretary, the above provisions will also be the provisions of the tentatively approved marketing agreement, as amended.

UNITED STATES DEPARTMENT OF AGRICULTURE
'AGRICULTURAL ADJUSTMENT ADMINISTRATION
Washington, D.C.

NOTICE OF REOPENING OF THE HEARING HELD ON DECEMBER 14, 1938, WITH RESPECT TO A PROPOSAL TO AMEND THE TENTATIVELY APPROVED MARKETING AGREEMENT, AS AMENDED, AND ORDER NO. 3, AS AMENDED, REGULATING THE HANDLING OF MILK IN THE ST. LOUIS, MISSOURI, MARKETING AREA

WHEPEAS, under section 8 c of Title I of Public Act No. 10, 73d Congress, as amended, the Secretary of Agriculture, hereinafter called the Secretary, issued an order regulating the handling of milk in the St. Louis, Missouri, Marketing Area, effective February 1, 1936, which order was amended effective April 17, 1936, and April 1, 1937; and

WHEREAS, the Secretary tentatively approved a marketing agreement regulating the handling of milk in the said area on December 10, 1935, amendments to which tentatively approved marketing agreement were tentatively approved on March 30, 1936, and on March 16, 1937; and

WHEREAS, the Sanitary Milk Producers has proposed certain amendments to said order, as amended, and to said tentatively approved marketing agreement, as amended; and

WHEREAS, the Secretary held a public hearing in connection with certain proposed amendments to said marketing agreement, as amended, and said order, as amended, at the Chase Hotel, St. Louis, Missouri, on December 14 and 17, 1938; and

WHEREAS, after said hearing certain amendments have been formulated and proposed to the Secretary; and

WHEREAS, the Secretary has determined to reopen said hearing (1) for the purpose of receiving additional evidence as to (a) redefining the marketing area to coincide with that portion of the present marketing area which must now be supplied with milk of such quality as to meet the requirements of a health ordinance similar to those of the United States ordinance relative to milk, (b) revising the classification of milk, (c) revising the minimum prices provided in said marketing agreement, as amended, and said order, as amended, (d) clarifying the method of computation of the value of milk of each handler, (e) making changes in the wording of said marketing agreement, as amended, and said order, as amended, for the purpose of affording more effective administration thereof, and (f) changing any other provisions of said marketing agreement, as amended, and said order, as amended; and (2) for the purpose of providing all persons with an opportunity to present oral arguments for or against said proposed amendments;

MOW, THEREFORE, notice is hereby given of the reopening of said hearing at the Chase Hotel, St. Louis, Missouri, at 10:00 a.m., c.s.t., February 2, 1939.

This public hearing is held (1) for the purpose of receiving additional evidence as to the necessity for (a) redefining the marketing area to coincide with that portion of the present marketing area which must now be supplied with milk of such quality as to meet the requirements of a health ordinance similar to those of the United States ordinance relative to milk, (b) revising the classification of milk, (c) revising the minimum prices provided in said marketing agreement, as amended, and said order, as amended, (d) clarifying the method of computation of the value of milk of each handler, (e) making changes in the wording of said marketing agreement, as amended, and said order, as amended, for the purpose of affording more effective administration thereof, and (f) changing any other provisions of said marketing agreement, as amended, and said order, as amended; and (2) for the purpose of providing all persons with an opportunity to present oral arguments for or against said proposed amendments.

Copies of the order and of the marketing agreement, as they would read should said amendments be made effective, may be inspected in or procured from Room 0316, South Building, United States Department of Agriculture, Washington, D.C.

/s/ H. A. WALLACE
Secretary of Agriculture.

Dated: 1-27-39

Washington, D. C.

Docket No. A-87

UNITED STATES DEPARTMENT OF AGRICULTUFE U. S. Department of Agriculture

DIVISION OF MARKETING AND MARKETING AGREEMENTS

TENTATIVELY APPROVED MARKETING AGREEMENT, AS AMENDED, REGULATING THE HANDLING OF HILK IN THE ST. LOUIS, MISSOURI, MARKETING AREA

I hereby certify that this document is a true and correct copy of the said marketing agreement, as amended, as tentatively approved by the Secretary of Agriculture, March 10, 1939.

Hearing Clerk,

U. S. Department of Agriculture.

Dated: March 10, 1939

Washington, D. C.

INSTRUCTIONS FOR SIGNING MARKETING AGREEMINT

(Please read carefully before signing)

Handlers of milk who wish to enter into the Marketing Agreement, As Amended, Regulating the Handling of Milk in the St. Louis, Missouri, Marketing Area with the Secretary of Agriculture should fill in and sign in accordance with the following instructions:

- 1. The agreement should be signed in the space provided for the signer's signature and address in section 15 just below section headed "Signature of parties." The type of business organization which you represent, whether corporation, partnership, or individual, should be indicated with your signature. If your business is organized as a corporation you should be sure to impress the corporate seal at the left of your signature.
- 2. The record of milk handled during the month of November 1938 should be properly certified as indicated on page 13.
- 3. The authorization to correct typographical errors on page 14 should be signed.
- 4. If your business is a corporation the board of directors should pass a resolution, in the form attached to the agreement on page 14 authorizing the signing of this agreement.
- 5. In the case of partnerships and corporations the agreement should be signed by persons authorized to represent the same, such authorization to be indicated.

When the above procedure has been completed the agreement should be returned to Fred L. Shipley, 4030 Chouteau Avenue, St. Louis, Missouri.

MARKETING AGREEMENT, AS AMENDED, REGULATING THE HANDLING OF MILK IN THE ST. LOUIS, MISSOURI, MARKETING AREA

Whereas, under the terms and provisions of Public No. 10, 73d Congress, as amended, and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, (50 Stat. 246), the Secretary of Agriculture of the United States is empowered, after due notice and opportunity for hearing, to enter into marketing agreements with processors, producers, associations of producers, and others engaged in such handling of any agricultural commodity or product thereof as is in the current of interstate or foreign commerce, or which directly burdens, obstructs, or affects interstate or foreign commerce in such commodity or product thereof; and

Whereas, the Secretary, having reason to believe that the execution of a marketing agreement and the issuance of an order with respect to the handling of milk in the St. Louis, Missouri, marketing area, would tend to effectuate the declared policy of said act, gave, on the 9th day of December 1938 notice of a public hearing to be held at St. Louis, Missouri, which hearing was held on the 14th and 17th days of December 1938, on proposed amendments to the tentatively approved marketing agreement, as amended, and to the order, as amended, said hearing being reopened at St. Louis, Missouri, on the 2nd day of February 1939 for the purpose of receiving additional evidence and of providing all persons with an opportunity to present oral arguments for or against certain tentative amendments formulated after said hearings, and at said times and places conducted public hearings at which all interested parties were afforded an opportunity to be heard on the proposed amendments to the tentatively approved marketing agreement, as amended, and the order, as amended; and

Whereas, the parties hereto, in order to effectuate the declared policy of the said act, desire to enter into this marketing agreement, as amended,

NOW, THEREFORE, the parties signatory hereto (said parties being the handlers and the Secretary) agree:

Section 1 Definitions. (a) Terms. The following terms shall have the following meanings:

- (1) The term "act" means Public Act No. 10, 73d Congress, as amended, and as reenacted and amended by the Agricultural Marketing Act of 1937 (50 Stat. 246).
- (2) The term "Secretary" means the Secretary of Agriculture of the United States.
- (3) The term "St. Louis marketing area," hereinafter called the "marketing area," means the territory within the corporate limits of the cities of St. Louis, Kirkwood, and Valley Park, Missouri; the territory within St. Ferdinand, Normandy, Clayton, Jefferson, and Carondelet townships in St. Louis County, Missouri; and the territory within East St. Louis, Centerville, Canteen, and Stites townships in St. Clair County, Illinois.
- (4) The term "person" means any individual, partnership, corporation, association, or any other business unit.
- (5) The term "producer" means any person, irrespective of whether any such person is also a handler, who produces milk in conformity with, or subject to, the health requirements applicable for milk to be sold for consumption as milk in the marketing area.
- (6) The term "handler" means any person who, on his own behalf or on behalf of others, purchases or receives milk from producers, associations of producers, or other handlers, all, or a portion, of which milk is disposed of as milk in the marketing area, and who, on his own behalf or on behalf of others engages in such handling of milk as is in the current of interstate commerce or which directly burdens, obstructs, or affects interstate commerce in milk and its products.
- (7) The term "market administrator" means the person designated pursuant to Sec. 2 as the agency for the administration hereof.
- (8) The term "delivery period" means the current marketing period from the first to the last day of each month, both inclusive.
- Sec. 2 Market administrator. (a) Selection, removal, and bond. The market administrator shall be selected, and shall be subject to removal at any time, by the Secretary. Within forty-five (45) days following the date upon which he enters upon his duties, the market administrator shall execute and deliver to the Secretary a bond conditioned upon the faithful performance of his duties, in an amount and with surety

thereon satisfactory to the Secretary.

- (b) Compensation. The market administrator shall be entitled to such reasonable compensation as may be determined by the Secretary.
 - (c) Powers. The market administrator shall have power:
 - (1) To administer the terms and provisions hereof; and
- (2) To receive, investigate, and report to the Secretary complaints of violations of the terms and provisions hereof.
- (d) <u>Duties</u>. The market administrator, in addition to the duties hereinafter described, shall:
- (1) Keep such books and records as will clearly reflect the transactions provided for herein;
- (2) Submit his books and records to examination by the Secretary at any and all times;
- (3) Furnish such information and such verified reports as the Secretary may request;
- (4) Obtain a bond with reasonable surety thereon covering each employee who handles funds entrusted to the market administrator;
- (5) Employ and fix the compensation of such persons as may be necessary to enable him to administer the terms and provisions hereof;
- (6) Furnish to the market advisory committee, when the same has been duly constituted, factual information in the form of general statements: Provided, That such statements shall not identify the information furnished to the market administrator by any person;
- (7) Publicly disclose to handlers and to producers, unless otherwise directed by the Secretary, the name of any handler who, within fifteen (15) days after the date upon which he is required to perform such acts, has not (a) made reports pursuant to Sec. 5 and (b) made payments pursuant to Sec. 8; and
- (8) Pay, out of the funds provided by Sec. 9, (a) the cost of his bond and of the bonds of such of his employees as handle funds entrusted to the market administrator, (b) his own compensation, and (c) all other expenses which will necessarily be incurred for the maintenance and functioning of his office and for the performance of his duties.

- Sec. 3 Classification of milk. (a) Basis of classification. Milh received by each handler, including milk produced by him, if any, shall be classified by the market administrator in the classes set forth in paragraph (b) of this section.
- (b) Classes of utilization. The classes of utilization of milk shall be as follows:
- (1) Class I milk shall be all milk disposed of in the form of milk containing not less than one-half of 1 percent of butterfat and all milk not specifically accounted for as Class II milk.
- (2) Class II milk shall be all milk specifically accounted for (a) as actual plant shrinkage, but not to exceed 3 percent of the total receipts of milk from producers and (b) as being used or disposed of in any form other than as milk containing not less than one-half of 1 percent of butterfat.
- (c) Interhandler sales. Milk disposed of as milk or cream by a handler to another handler shall be prosumed to be Class I milk: Provided, That if such selling handler, on or before the date fixed for filing reports pursuant to Sec. 5, shall furnish proof satisfactory to the market administrator that such milk has been disposed of by the purchasing handler other than as Class I milk, then, and in that event, such milk shall be classified as Class II milk.
- (d) Source of Class I milk. The milk which was disposed of by each handler as Class I milk shall be presumed to have been that milk which was delivered to such handler at plants within and nearest to the marketing area.
- Soc. 4 Minimum prices. (a) Class I prices. Each handler shall pay producers, in the manner set forth in Sec. 8, for Class I milk, not less than the following prices:
- (1) In the case of milk received at such handler's plant located in the marketing area, \$2.20 per hundredweight;
- (2) In the case of milk received at such handler's plant outside the marketing area, \$2.20 per hundredweight less the amount specified for the airline distance of such plant from the City Hall in St. Louis, as follows: Within 5 miles, 4 cents; more than 5 miles but not in excess of 10 miles, 8 cents; more than 10 miles but not in excess of 15 miles, 12 cents; more than 15 miles but not in excess of 20 miles, 16 cents; more than 20 miles but not in excess of 30 miles, an additional 2 cents; more than 30 miles but not in excess of 40 miles, an additional 2 cents; and for each additional 10 miles, in excess of 40 miles, an additional 1 cent.

- (b) Class II prices. Each handler shall pay producers, in the manner set forth in Sec. 8, for Class II milk, not less than the following prices:
- (1) In the case of milk received at such handler's plant located in the marketing area, a price per hundredweight which shall be calculated by the market administrator as follows: Multiply by 3.5 the average price per pound of 92-score butter at wholesale in the Chicago market, as reported by the United States Department of Agriculture for the delivery period during which such milk is received, add 30 percent thereof and add 15 cents;
- (2) In the case of milk received at such handler's plant located outside the marketing area, the price calculated by the market administrator pursuant to subparagraph (1) of this paragraph less 15 cents; and
- (3) In the case of milk used by such handler for evaporated milk in hermetically sealed containers, the price set forth in the Marketing Agreement and License for Evaporated Milk, ussued by the Secretary May 31, 1935.
- (c) Price adjustment. For each delivery period during which the total receipts of milk by handlers from producers exceed 29,000,000 pounds, as determined by the market administrator from reports submitted by handlers pursuant to Sec. 5(a), the prices set forth in paragraphs (a) and (b) of this section shall be reduced 1 cent per hundred-weight for each 1 million pounds, or part thereof, of milk received by handlers from producers in excess of 29,000,000 pounds.
- (d) Sales outside the marketing area. The price for Class I milk set forth in paragraph (a) of this section shall not apply to milk disposed of in such class outside the marketing area. However, the market administrator, in computing the uniform price for each handler pursuant to Sec. 7(a), shall determine the value of such milk by applying the price per hundredweight which the handler has reported pursuant to Sec. 5(e).
- (e) Publication of Class II price. On or before the 2nd day after the end of each delivery period, the market administrator shall publicly announce the Class II price in effect for such delivery period.
- Sec. 5 Reports of handlers. (a) Periodic reports. On or before the 5th day after the end of each delivery period, each handler shall, with respect to milk or cream handled by him during such

delivery period, report to the market administrator, in the detail and form prescribed by the market administrator, as follows:

- (1) The receipts at each plant from producers who are not handlers;
- (2) The receipts at each plant from any other handler, including any handler who is also a producer;
 - (3) The quantity, if any, produced by the handler;
 - (4) The receipts at each plant from any other source; and
- (5) The respective quantities of milk which were used or disposed of, including sales to other handlers, for the purpose of classification pursuant to Sec. 3.
- (b) Reports as to producers. Each handler shall report to the market administrator:
- (1) Within ton (10) days after the market administrator's request, with respect to any producer for whom such information is not in the files of the market administrator and with respect to a period or periods of time designated by the market administrator (a) the name and address, (b) the total pounds of milk delivered, (c) the average butterfat test of milk delivered, and (d) the number of days on which deliveries were made.
- (2) As soon as possible after first receiving milk from any producer, (a) the name and address of such producer and (b) the date on which such milk was first received.
- (3) As soon as possible after the date on which the handler stops receiving milk from any producer (a) the name and address of such producer and (b) the date on which the milk of such producer was last received.
- (4) On or before the 10th day after the request of the market administrator a schedule which will show transportation rates which are charged and paid for the transportation of milk from the farm of each producer to such handler's plant or plants.
- (5) On or before the 10th day after any changes are made in the schedule filed in accordance with subparagraph (4) of this paragraph, a copy of the revised schedule with the effective dates of such changes as may appear in the revised schedule.

- (c) Report of payment to producers. Each handler shall submit to the market administrator, within twenty (20) days after the end of each delivery period, his producer pay roll, or a report, which shall show, for such delivery period and for each and every producer, (a) his total delivery of milk with the average butterfat test thereof and (b) the net amount of the payment made to him with the prices, deductions and charges involved.
- (d) Verification of reports. Each handler shall permit the market administrator or his representative, during the usual hours of business, to (a) verify the information contained in reports submitted by such handler pursuant to this section, and (b) weigh, sample, and test milk for butterfat. If, in the verification of the report of purchases and sales of the handler for any previous delivery period, the market administrator finds that differences occur between the reported and actual quantities of milk received or between the reported and actual quantities of milk disposed of in each class, he shall make the adjustments in such quantities of milk necessary to account for such differences and shall add to, or subtract from, the value of milk in the current pool for such handler, computed pursuant to Sec. 7(a), an amount of money representing the value, at the class prices effective during the delivery period for which the verification is being made, of milk accounted for by such adjustments.
- (e) Reports on milk sold outside the marketing area. Each handler shall report, on or before the 5th day after the end of each delivery period, the disposition of Class I milk outside the marketing area, as follows: (a) the amount of such milk, (b) the date or dates of such disposition, (c) the point of use, (d) the plant from which such milk was shipped, (e) the price per hundredweight to be paid for such milk, and (f) such other information with respect thereto as the market administrator may require.
- Sec. 6 Handlers who are also producers. (a) Milk purchased or received from producers. In the case of a handler who is also a producer and has purchased or received milk from producers, the market administrator shall, in the computations set forth in Sec. 7, first exclude the milk purchased or received by him in each class from other handlers and then apportion the milk purchased or received by him from producers to each class according to the ratio which such handler's remaining total sales in each class bears to his remaining total sales in all classes.
- Sec. 7 Determination of uniform prices to producers. (a) Computation of the value of milk for each handler. For each delivery period the market administrator shall compute, subject to the provisions of Sec. 6, the value of milk disposed of by each handler, which was not purchased or received from other handlers by (a) multiplying the hundredweight of Class I milk disposed of in the marketing area by the

Class I price, (b) multiplying the total hundredweight of Class II milk by the Class II price, (c) adding together the resulting amounts, and (d) adding to the sum obtained in (c) of this paragraph an amount equal to the total value of Class I milk disposed of outside of the marketing area, determined in accordance with Sec. 4(d).

- (b) Computation and announcement of uniform price for each handler. The market administrator shall compute and announce for each handler the uniform price per hundredweight of milk received by him from producers during each delivery period as follows:
- (1) Add to the value computed pursuant to paragraph (a) of this section the amount of adjustment to be made pursuant to Sec. 8(d);
 - (2) Subtract the total amount to be paid pursuant to Sec. 8(a)(2);
- (3) Divide by the total quantity of milk received from producers other than the milk represented by the amount subtracted in subparagraph (2) of this paragraph;
- (4) On or before the 10th day after the end of each delivery period, notify each handler of the uniform price computed for him; and
- (5) On or after the 15th day after the end of each delivery period, publicly announce the uniform price computed for each handler pursuant to this section with the differentials applicable pursuant to Sec. 8(d).
- Sec. 8 Payments for milk. (a) Time and method of payment. On or before the 15th day after the end of each delivery period, each handler shall make payment, subject to the butterfat differential set forth in paragraph (c) of this section, for the total value of milk received from producers during such delivery period as follows:
- (1) To producers, except as set forth in subparagraph (2) of this paragraph, at not less than the uniform price per hundredweight computed for such handler pursuant to Sec. 7, subject to the country station differentials set forth in paragraph (d) of this section; and
- (2) To any producer, whose milk was not regularly received by a handler or by persons within the marketing area during a period of 30 days next preceding February 1, 1936, for all the milk received from such producer during the period beginning with the first regular delivery by such producer and continuing until the end of 2 full calendar months following the first day of the next succeeding calendar month, at the Class II price in effect at such handler's plant where the milk of such producer was received.

- (b) Errors in payments. Errors in making the payments prescribed in this section shall be corrected not later than the date for making payments next following the determination of such errors.
- (c) Butterfat differential. If any handler has received from any producer, during the delivery period, milk having an average butter-fat content other than 3.5 percent, such handler, in making payments pursuant to paragraph (a) of this section, shall add to the uniform price for such producer for each one-tenth of 1 percent of average butterfat content in milk above 3.5 percent not less than, or shall deduct from the uniform price for such producer for each one-tenth of 1 percent of average butterfat content in milk below 3.5 percent not more than three (3) cents per hundredweight.
- (d) Country station differentials. In making payments pursuant to paragraph (a)(1) of this section for milk received from producers at plants located outside the marketing area, if any, each handler shall deduct the amount per hundredweight specified for the airline distance of any such plant from the City Hall in St. Louis as follows: Within 5 miles, 4 cents; more than 5 miles but not in excess of 10 miles, 8 cents; more than 10 miles but not in excess of 15 miles, 12 cents; more than 15 miles but not in excess of 20 miles, 16 cents; more than 20 miles but not in excess of 50 miles, an additional 2 cents; more than 30 miles but not in excess of 40 miles, an additional 2 cents; and for each additional 10 miles in excess of 40 miles, an additional 1 cent.
- (c) Additional payments. (1) Any handler may make payment to producers in addition to the payments to be made pursuant to paragraph (a) of this section: Provided, That such additional payments shall be uniform as among all producers similarly circumstanced.
- (2) Each handler shall pay to any producers' cooperative association, which the Secretary determines to be qualified under the act of Congress of February 18, 1922, as amended, known as the "Capper-Volstead Act," and to be rendering services to such handler, a sum not exceeding 4 cents per hundredweight of milk delivered by the members of such association as a payment for the service of such association to such handler.
- Sec. 9 Expense of administration. (a) Payments by handlers. As his pro-rata share of the expense of the administration hereof, each handler, on or before the 15th day after the end of each delivery period, shall pay to the market administrator, with respect to all milk received by him from producers or an association of producers, or produced by him during such delivery period, an amount not exceeding 1 cent per hundredweight, the exact amount to be determined by the market administrator, subject to review by the Secretary. Each handler, who is a cooperative association of producers, shall pay such pro-rata share of expense only on that milk received from producers at any plant of such association.

- (b) Suits by market administrator. The market administrator may maintain a suit in his own name against any handler for the collection of such handler's pro-rata share of expense set forth in this section.
- Sec. 10. Unfair methods of competition. Each handler shall refrain from acts which constitute unfair methods of competition by way of indulging in any practices with respect to the transportation of milk for, and the supplying of goods and services to, producers from whom milk is received, which tend to defeat the purpose and intent of this marketing agreement.
- Sec. 11 Market advisory committee. (a) Representation, selection, approval, and removal. Subsequent to the effective date of this marketing agreement, representatives of producers, handlers and consumers, respectively, may certify to the Secretary the selection of three individuals by each group for membership on the market advisory committee. Upon approval of the Secretary, the nine individuals so selected shall constitute the market advisory committee. Each member of the market advisory committee shall serve for a term of 1 year unless sooner removed by the Secretary. After the market advisory committee has been constituted, vacancies in the membership thereof shall be filled in the same manner as the original selections were made.
- (b) Powers. The market advisory committee shall have the power to recommend to the Secretary amendments to this marketing agreement originating within itself or submitted to it by interested parties, after a study of the facts available to the market advisory committee.
- Sec. 12 Effective time, suspension, and termination of marketing agreement. (a) Effective time. The provisions hereof, or any amendment hereto, shall become effective at such time as the Secretary may declare and shall continue in force until suspended, or terminated, pursuant to paragraph (b) of this section.
- minate this agreement whenever he finds that this agreement obstructs or does not tend to effectuate the declared policy of the act. This agreement shall, in any event, terminate whenever the provisions of the act authorizing it cease to be in effect.
- (c) Continuing power and duty of the market administrator. If, upon the suspension or termination of any or all provisions hereof, there are any obligations arising hereunder, the final accrual or ascertainment of which requires further acts by any handler, by the market administrator, or by any other person, the power and duty to perform such further acts shall continue notwithstanding such suspension or termination: Provided, That any such acts required to be performed by the market administrator shall, if the Secretary so directs, be performed by such other person, persons, or agency as the Secretary may designate.

- (1) The market administrator, or such other person as the Secretary may designate, shall (a) continue in such capacity until removed by the Secretary, (b) from time to time account for all receipts and disbursements and deliver all funds or property on hand, together with the books and records of the market administrator, or such person, to such person as the Secretary shall direct, and (c) if so directed by the Secretary, execute such assignments or other instruments necessary or appropriate to vest in such person full title to all funds, property, and claims vested in the market administrator or such person pursuant thereto.
- pension or termination of any or all provisions hereof, the market administrator, or such person as the Secretary may designate, shall, if so directed by the Secretary, liquidate the business of the market administrator's office, and dispose of all funds and property then in his possession or under his control, together with claims for any funds which are unpaid or owing at the time of such suspension or termination. Any funds collected pursuant to the provisions hereof, over and above the amounts necessary to meet outstanding obligations and the expenses necessarily incurred by the market administrator or such person in liquidating and distributing such funds, shall be distributed to the contributing handlers and producers in an equitable manner.
- Sec. 13 Liability. (a) Liability of handlers. The liability of the handlers hereunder is several and not joint and no handler shall be liable for the default of any other handler.
- Sec. 14 Counterparts and additional parties. (a) Counterparts of marketing agreement. This agreement may be executed in multiple counterparts, and when one counterpart is signed by the Secretary all such counterparts shall constitute, when taken together, one and the same instrument, as if all such signatures were obtained in one original.
- (b) Additional parties to marketing agreement. After this agreement first takes effect, any handler may become a party to this agreement if a counterpart hereof is executed by him and delivered to the Secretary. This agreement shall take effect as to such new contracting parties at the time such counterpart is delivered to the Secretary, and the benefits, privileges, and immunities conferred by this agreement shall then be effective as to such new contracting party.

Soc. 15 Signature of parties.

IN WITNESS WHEREOF, the contracting handlers, acting under the provisions of the act, for the purposes and subject to the limitations herein contained and not otherwise have hereunto set their respective hands and seals.

	Signatu:	Signature	
	By		
	Namo	Title	
	Address		
ttest			
Date			

RECORD OF MILK HANDLED DURING THE MONTH OF NOVEMBER 1938

The undersigned certifies the as shown by his books and records, November 1938 this agreement and marketed within area.	he handled during the month of hundredweight of milk covered by the St. Louis, Missouri, marketing
	SEAL(Signed)
	By
he has read the foregoing statement	g duly sworn, deposes and says that by him subscribed and knows the are true and correct to the best of
	Notary Public

AUTHORIZATION TO CORRECT TYPOGRAPHICAL ERRORS TO BE EXECUTED BY ALL SIGNERS

We, the undersigned, hereby authorize O. M. Reed to consent on our behalf to the correction of any typographical errors which may have been made in the marketing agreement, as amended, regulating the handling of milk in the St. Louis, Missouri, marketing area. Firm name Date Title - Seal Name (If corporation) Corporation only CERTIFICATE OF RESOLUTION At a duly convened meeting of the board of directors of held at on the _____ day of ____ the following resolution was adopted: RESOLVED, that shall become a party to the marketing agreement, as amended, regulating the handling of milk in the St. Louis, Missouri, marketing area, as read and explained to the meeting, and it is further RESOLVED, that (title) and (title) be, and hereby are authorized and directed to sign, execute, and deliver a counterpart of said agreement attached hereto, to the Secretary of Agriculture, together with an authorization naming O. M. Reed to correct typographical errors. I, ________, Secretary of ________do hereby certify that this is a true and correct copy of a resolution adopted at the above-named meeting, as said resolution appears in the minutes thereof.

Address of firm

SEAT.

UNITED STATES DEPARTMENT OF AGRICULTURE
DIVISION OF MARKETING AND MARKETING AGREEMENTS
Washington, D. C.



TENTATIVELY APPROVED MARKETING AGREEMENT, AS AMENDED, REGULATING THE HANDLING OF MILK IN THE ST. LOUIS, MISSOURI, MARKETING AREA

I hereby certify that this document is a true and correct copy of the said marketing agreement, as amended, as tentatively approved by the Secretary of Agriculture.

Hearing Clerk,

U. S. Department of Agriculture.

Dated: December 21, 1939

Washington, D. C.

INSTRUCTIONS FOR SIGNING MARKETING AGREEMENT

(Please read carefully before signing)

Handlers of milk who wish to enter into the Marketing Agreement, As Amended, Regulating the Handling of Milk in the St. Louis, Missouri, Marketing Area with the Secretary of Agriculture should fill in and sign in accordance with the following instructions:

- 1. The agreement should be signed in the space provided for the signer's signature and address in section 903.16 just below section headed "Signature of parties." The type of business organization which you represent, whether corporation, partnership, or individual, should be indicated with your signature. If your business is organized as a corporation you should be sure to impress the corporate seal at the left of your signature.
- 2. The record of milk handled during the month of September 1939 should be properly certified as indicated on page 9.
- 3. The authorization to correct typographical errors on page 10 should be signed.
- 4. If your business is a corporation the board of directors should pass a resolution, in the form attached to the agreement on page 10, authorizing the signing of this agreement.
- 5. In the case of partnerships and corporations the agreement should be signed by persons authorized to represent the same, such authorization to be indicated.

When the above procedure has been completed the agreement should be returned to Fred L. Shipley, 4030 Chouteau Avenue, St. Louis, Missouri.

MARKETING AGREEMENT, AS AMENDED, REGULATING THE HANDLING OF MILK IN THE ST. LOUIS, MISSOURI MARKETING AREA

Whereas, under the terms and provisions of Public Act No. 10, 73d Congress, as amended and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, (50 Stat. 246), the Secretary of Agriculture of the United States is empowered, after due notice and opportunity for hearing, to enter into marketing agreements with processors, producers, associations of producers, and others engaged in such handling of any agricultural commodity or product thereof as is in the current of interstate or foreign commerce, or which directly burdens, obstructs, or affects interstate or foreign commerce in such commodity or product thereof; and

Whereas, the Secretary, having reason to believe that the execution of a marketing agreement and the issuance of an order with respect to the handling of milk in the St. Louis, Missouri, marketing area, would tend to effectuate the declared policy of said act, gave, on the 9th day of December 1938, notice of a public hearing to be held at St. Louis, Missouri, which hearing was held on the 14th and 17th days of December 1938, on proposed amendments to the tentatively approved marketing agreement, as amended, and to the order, as amended, said hearing being reopened at St. Louis, Missouri, on the 2d day of February 1939 for the purpose of receiving additional evidence and of providing all persons with an opportunity to present oral arguments for or against certain tentative amendments formulated after said hearings, and at said times and places conducted public hearings at which all interested parties were afforded an opportunity to be heard on the proposed amendments to the tentatively approved marketing agreement, as amended, and to the order, as amended; and

Whereas, after said hearing, the Secretary issued a tentatively approved marketing agreement, as amended, on the 10th day of March 1939; and

Whereas, the Secretary, having reason to believe that the execution of an amendment to said tentatively approved marketing agreement, as amended, and to the order, as amended, regulating the handling of milk in the St. Louis, Missouri, marketing area, would tend to effectuate the declared policy of said act, gave, on the 22d day of September 1939, notice of a public hearing to be held at St. Louis, Missouri, which hearing was held on the 3d, 4th, and 5th days of October 1939 on an amendment to said marketing agreement and said order, and at said times and place conducted a public hearing at which all interested parties were afforded an opportunity to be heard on the proposed amendment to the said marketing agreement and said order; and

Whereas, the parties hereto, in order to effectuate the declared policy of the said act, desire to enter into this marketing agreement, as amended.

NOW, THEREFORE, the parties signatory hereto (said parties being the handlers and the Secretary) agree that:

- (a) The terms and provisions of Sec. 903.1 through Sec. 903.9 of Order No. 3, as amended, regulating the handling of milk in the St. Louis, Missouri, marketing area, as made effective by the Secretary on April 5, 1939, except as herein provided, shall be the provisions of this marketing agreement as if set out in full herein; and
 - (b) The said provisions be and are hereby amended as follows:
 - 1. Delete Sec. 903.3(c) and substitute therefor the following:
- (c) Interhandler sales. Milk disposed of as milk or cream by a handler to another handler shall be apportioned to each class in the proportions that the quantity of milk disposed of in each class by the receiving handler bears to the total quantity of milk received by him, as reported pursuant to Sec. 903.5(a), except that if the receiving handler has failed to submit the report required by Sec. 903.5(a) prior to the time the uniform price of the selling handler is computed, pursuant to Sec. 903.7, such milk shall be apportioned to each class in the proportions that the total quantity of milk disposed of in each class by all handlers who have made the reports required by Sec. 903.5(a) bears to the total quantity of milk received by such handlers; and milk disposed of by a handler to a person who is not a handler but who distributes or manufactures milk products shall be classified as Class I milk: Provided, in any case, That if the selling handler, on or before the date fixed for filing reports pursuant to Sec. 903.5, furnishes to the market administrator a statement, which is signed by the purchaser and the selling handler, that such milk was used as Class II milk, such milk shall be classified accordingly, subject to verification by the market administrator.
 - 2. Add the following as Sec. 903.3(e):
- (e) Computation of milk in each class. For each delivery period, the market administrator shall compute for each handler the hundredweight of milk in each class, as defined in paragraph (b) of this section, as follows:
- (1) Determine the total pounds of milk received as follows: Add together (a) the hundredweight of milk received from producers, (b) the hundredweight of milk produced by him, if may, and (c) the hundredweight of milk received from handlers, if any.
- (2) Determine the hundredweight of Class I milk as follows: (a) convert to gallons the quantity of milk disposed of in the form of milk and multiply by 0.036, and (b) if the hundredweight of milk so computed when added to the hundredweight of Class II milk, computed pursuant to subparagraph (3) of this paragraph, is less than the total hundredweight of milk

computed in accordance with subparagraph (1) of this paragraph, an amount equal to the difference shall be added to the hundredweight of milk determined pursuant to (a) of this subparagraph.

- (3) Determine the hundredweight of Class II milk as follows:
- (a) multiply the hundredweight of milk computed pursuant to subparagraph (1) of this paragraph by the average butterfat test thereof, (b) multiply the hundredweight of Class I milk computed pursuant to (a) of subparagraph (2) of this paragraph by the average butterfat test thereof, (c) subtract the hundredweight of Class I milk, computed pursuant to (a) of subparagraph (2) of this paragraph, from the hundredweight of milk, computed pursuant to subparagraph (1) of this paragraph, (d) subtract the pounds of butterfat computed pursuant to (b) of this subparagraph from the pounds of butterfat computed pursuant to (a) of this subparagraph, (e) divide the quantity of butterfat computed pursuant to (d) of this subparagraph by the hundredweight of milk computed pursuant to (c) of this subparagraph, (f) multiply the actual weight of each of the several products of Class II milk by its average butterfat test, and add together the resulting amounts, (g) divide the resulting sum by the average test of Class II milk computed pursuant to (e) of this subparagraph, and (h) add together the hundredweight of milk computed pursuant to (g) of this subparagraph and the hundredweight of milk allowed as plant shrinkage for the purposes of this paragraph (but in no event shall such plant shrinkage allowance exceed 3 percent of the total receipts of milk from producers).
- (4) Determine the classification of milk received from producers, as follows:
 - (i) Subtract from the hundredweight of milk in each class the hundredweight of milk received from other handlers and apportioned to such class in accordance with paragraph (c) of this section.
 - (ii) In the case of a handler who also distributes milk of his own production, subtract from the hundredweight of milk in each class a further amount computed in accordance with Sec. 903.6.
 - 3. Delete Sec. 903.4(a) and substitute therefor the following:
- (a) Class I prices. Each handler shall pay producers, in the manner set forth in Sec. 903.8, for Class I milk, not less than the following prices:
- (1) In the case of milk received at such handler's plant located in the marketing area, \$2.24 per hundredweight: Provided, That with respect to Class I milk disposed of by such handler under a program approved by the Secretary for the sale or disposition of milk to low-income consumers, including persons on relief, such price shall be \$1.78 per hundredweight;

- ed outside the marketing area, the price per hundredweight set forth in subparagraph (1) of this paragraph less the amount specified for the airline distance of such plant from the City Hall in St. Louis, as follows: within 5 miles, 4 cents; more than 5 miles but not in excess of 10 miles, 8 cents; more than 10 miles but not in excess of 15 miles, 12 cents; more than 15 miles but not in excess of 20 miles, 16 cents; more than 20 miles but not in excess of 30 miles, an additional 2 cents; more than 30 miles but not in excess of 40 miles, an additional 2 cents; and for each additional 10 miles, in excess of 40 miles, an additional 1 cent.
 - 4. Delete Sec. 903.4(b)(1) and substitute therefor the following:
- (1) In the case of milk received at such handler's plant located in the marketing area, a price per hundredweight which shall be calculated by the market administrator, as follows: Multiply by 3.5 the average price per pound of 92-score butter at wholesale in the Chicago market, as reported by the United States Department of Agriculture for the delivery period during which such milk is received, add 30 percent thereof and add 19 cents.
 - 5. Delete Sec. 903.4(d) and substitute therefor the following:
- (d) Sales outside the marketing area. The price to be paid by handlers for Class I milk disposed of cutside the marketing area, in lieu of the price otherwise applicable pursuant to this section, shall be, as ascertained by the market administrator, such price as is being paid to farmers in the market where such milk was disposed of, for milk of equivalent use, subject to a measonable adjustment on account of transportation with respect to Class I milk moved from the handler's plant in the marketing area to the handler's plant outside the marketing area where such milk was loaded on wholesale and retail routes.
 - 6. Add as Sec. 903.5(b)(6) the following:
- (6) On or before the 5th day after the end of each delivery period, the amount and category of any payments to be made pursuant to Sec. 903.8(e) with respect to milk received during such delivery period.
 - 7. Delete Sec. 903.5(d) and substitute therefor the following:
- (d) <u>Verification of reports</u>. Each handler shall permit the market administrator or his representative, during the usual hours of business, to (a) verify the information contained in reports submitted

by such handler pursuant to this section, and (b) weigh, sample, and test milk for butterfat.

- If, in the verification of the report of purchases and sales of the handler for any previous delivery period, the market administrator finds that differences occur between the reported and actual quantities of milk received or between the reported and actual quantities of milk disposed of in each class, he shall make an adjustment in the following manner: (a) recompute for such handler the uniform price for the delivery period for which the report of purchases and sales of milk is being verified, after making the adjustments in such quantities of milk necessary to account for such differences, and (b) add to, or subtract from, the value of milk in the current pool for such handler, computed pursuant to Sec. 903.7(a), an amount representing, at the difference between the uniform price previously announced pursuant to Sec. 903.7(b)(5) and the recomputed uniform price, the value of milk accounted for by such adjustment.
 - 8. Delete the phrase marked (c) in Sec. 903.5(e).
- 9. Reletter the phrase marked (f) in Sec. 903.5(e) so that it will read (e) of Sec. 903.5(e).
 - 10. Delete Sec. 903.7(a) and substitute therefor the following:
- (a) Computation of the value of milk for each handler. For each delivery period the market administrator shall compute, subject to the provisions of Sec. 903.6, the value of milk of producers disposed of by each handler, by (a) multiplying the hundredweight of such milk in each class, computed pursuant to Sec. 903.3(e), by the price applicable pursuant to Sec. 903.4, and (b) adding together the resulting values of each class.
 - 11. Delete Sec. 903.8(e) and substitute therefor the following:
- (e) Additional payments. Any handler may make payments to producers in addition to the payments to be made pursuant to paragraph (a) of this section: Provided, That such additional payments shall be made on a uniform basis to all producers from whom milk meeting special quality, volume production, or evenness of production standards has been received.
- 12. Delete from Sec. 903.9(a) the phrase which reads "an amount not exceeding 1 cent per hundredweight" and substitute therefor the following phrase: "an amount not exceeding 2 cents per hundredweight."
 - (c) Add the following:
- Sec. 903.10 Marketing services. (a) Deductions for marketing services. Except as set forth in paragraph (b) of this section, each handler shall deduct an amount not exceeding 4 cents per hundredweight

(the exact amount to be determined by the market administrator, subject to review by the Secretary) from the payment made to each producer pursuant to Sec. 9.3.8(a)(1) and (2), with respect to all milk of such producer received by such handler during the delivery period, and shall pay such deduction to the market administrator on or before the 15th day after the end of such delivery period. Such moneys shall be used by the market administrator to verify weights, samples, and tests of milk received from such producers and to provide them with market information; such services to be performed in whole or in part by the market administrator or by an agent engaged by and responsible to him.

(b) Producers' cooperative associations. In the case of producers for whom a cooperative association, which the Secretary determines to be qualified under the act of Congress of February 18, 1922, as amended, known as the "Capper-Volstead Act," is actually performing the services set forth in paragraph (1) of this section, each handler, in lieu of the deductions specified in paragraph (1) of this section, shall make the deductions from the payments made pursuant to Sec. 903.8 (a)(1) and (2), which are authorized by such producers, and, on or before the 15th day after the end of each delivery period, pay over such deductions to the cooperative associations rendering such service of which such producers are members.

Sec. 903.11 Unfair methods of competition. Each handler shall refrain from acts which constitute unfair methods of competition by way of indulging in any practices with respect to the transportation of milk for, and the supplying of goods and services to, producers from whom milk is received, which tend to defeat the purpose and intent of this marketing agreement.

Sec. 903.12 Market advisory committee. (a) Representation, selection, approval, and removal. Subsequent to the effective date of this marketing agreement, representatives of producers, handlers and consumers, respectively, may certify to the Secretary the selection of three individuals by each group for membership on the market advisory committee. Upon approval of the Secretary, the nine individuals so selected shall constitute the market advisory committee. Each member of the market advisory committee shall serve for a term of 1 year unless sooner removed by the Secretary. After the market advisory committee has been constituted, vacancies in the membership thereof shall be filled in the same manner as the original selections were made.

(b) Powers. The market advisory committee shall have the power to recommend to the Secretary amendments to this marketing agreement originating within itself or submitted to it by interested parties, after a study of the facts available to the market advisory committee.

Sec. 903.13 Effective time, suspension, and termination of marketing agreement. (a) Effective time. The provisions hereof,

or any amendment hereto, shall become effective at such time as the Secretary may declare and shall continue in force until suspended, or terminated, pursuant to paragraph (b) of this section.

- (b) Termination of marketing agreement. The Secretary may terminate this agreement whenever he finds that this agreement obstructs or does not tend to effectuate the declared policy of the act. This agreement shall, in any event, terminate whenever the provisions of the act authorizing it cease to be in effect.
- (c) Continuing power and duty of the market administrator. If, upon the suspension or termination of any or all provisions hereof, there are any obligations arising hereunder, the final accrual or ascertainment of which requires further acts by any handler, by the market administrator, or by any other person, the power and duty to perform such further acts shall continue notwithstanding such suspension or termination: Provided, That any such acts required to be performed by the market administrator shall, if the Secretary so directs, be performed by such other person, persons, or agency as the Secretary may designate.
- (1) The market administrator, or such other person as the Secretary may designate, shall (a) continue in such capacity until removed by the Secretary, (b) from time to time account for all receipts and disbursements and deliver all funds or property on hand, together with the books and records of the market administrator, or such person, to such person as the Secretary shall direct, and (c) if so directed by the Secretary, execute such assignments or other instruments necessary or appropriate to vest in such person full title to all funds, property, and claims vested in the market administrator or such person pursuant thereto.
- (d) Liquidation after suspension or termination. Upon the suspension or termination of any or all provisions hereof, the market administrator, or such person as the Secretary may designate, shall, if so directed by the Secretary, liquidate the business of the market administrator's office, and dispose of all funds and property then in his possession or under his control, together with claims for any funds which are unpaid or owing at the time of such suspension or termination. Any funds collected pursuant to the provisions hereof, over and above the amounts necessary to meet outstanding obligations and the expenses necessarily incurred by the market administrator or such person in liquidating and distributing such funds, shall be distributed to the contributing handlers and producers in an equitable manner.
- Sec. 903.14 Liability. (a) Liability of handlers. The liability of the handlers hereunder is several and not joint and no handler shall be liable for the default of any other handler.

- Sec. 903.15 Counterparts and additional parties. (a) Counterparts of marketing agreement. This agreement may be executed in multiple counterparts, and when one counterpart is signed by the Secretary all such counterparts shall constitute, when taken together, one and the same instrument, as if all such signatures were obtained in one original.
- (b) Additional parties to marketing agreement. After this agreement first takes effect, any handler may become a party to this agreement if a counterpart hereof is executed by him and delivered to the Secretary. This agreement shall take effect as to such new contracting parties at the time such counterpart is delivered to the Secretary, and the benefits, privileges, and immunities conferred by this agreement shall then be effective as to such new contracting party.

Sec. 903.16 Signature of parties.

IN WITNESS WHEREOF, the contracting handlers, acting under the provisions of the act, for the purposes and subject to the limitations herein contained and not otherwise have hereunto set their respective hands and seals.

	Sign	Signature	
	ByName	Title	
	Address		
Attost			
Date	And the state of t		

RECORD OF MILK HANDLED DURING THE MONTH OF SEPTEMBER 1939

by this agreement and marketed within the St. Louis, Missouri, marketing area.
SEAL (Signed)
By
, being duly sworn, deposes and says that he has read the foregoing statement by him subscribed and knows the contents thereof and that the same are true and correct to the best of his knowledge and belief.
Notary Public

AUTHORIZATION TO CORRECT TYPOGRAPHICAL ERRORS TO BE EXECUTED BY ALL SIGNERS

We, the undersigned, hereby our behalf to the correction of an been made in the marketing agreeme of milk in the St. Louis, Missouri	y typographical erro nt, as amended, regu	rs which may have
Date	· Firm	name
	N <i>a</i> me	Title - Seal (If corporation)
	ration only E OF RESOLUTION	
At a duly convened meet	ing of the board of	directors of
	held at	
on the	day of	1939
the following resolution was adopt	ed:	
RESOLVED, that shall become a party to the market the handling of milk in the St. Lo and explained to the meeting, and	uis, Missouri, marke	ended, regulating ting area, as read
RESOLVED, that	t.	(title)
be, and hereby are authorized and counterpart of said agreement atta ture, together with an authorization graphical errors.	ched hereto, to the	Secretary of Agricul-
I, do hereby certify that this is a tradopted at the above-named meeting utes thereof.	, Secretary of rue and correct copy, as said resolution	of a resolution
	Address of firm	SEAL

Docket No. A-137 0-137

Notice of hearing signed by the Secretary of Agriculture, July 17, 1940

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UNITED STATES DEPARTMENT OF AGRICULTURE SURPLUS MARKETING ADMINISTRATION Dairy Division

PROPOSED ALENDMENTS TO THE TENTATIVELY APPROVED MARKETING AGREEMENT, AS AMENDED, AND TO ORDER NO. 3, AS AMENDED, REGULATING THE HANDLING OF MILK IN THE ST. LOUIS, MISSOURI, MARKETING AREA, UPON WHICH THE SECRETARY OF AGRICULTURE HAS ISSUED NOTICE OF HEARING UNDER THE AGRICULTURAL MARKET-ING AGREEMENT ACT OF 1937

The Sanitary Milk Producers has presented to the Secretary a petition for public hearing to amend Order No. 3, as amended, regulating the handling of milk in the St. Louis, Missouri, marketing area. The amendments proposed by producers as set forth below were submitted by such association of producers. Also set forth below are certain amendments proposed by handlers. The latter amenements were suggested jointly by the Pevely Dairy Company, St. Louis Dairy Company, Highland Dairy Farms Company, Beatrice Creamery Company, Edwardsville Creamery Company, Massey Dairy, Inc., Dressel Dairy Company, Chapman's Ice Cream Company, St. Charles Dairy Company, Waterloo Milk Company, Ashley Milk Company, Bailey Farm Dairy Company, Bergjans Dairy, Berlinger Dairy, Bierman Dairy Company, Clover Leaf Dairy, Everding Dairy, Golden Hagle Dairy, Golden Rod Dairy Company, Horack Dairy Company, Knackstedt Farm Dairy Company, Lafayette Dairy, Lange Milk Company, Meramec Dairy, Pioneer Dairy, Quality Dairy Company, Raskas Dairy Company, South Side Consumers Dairy Company, South St. Louis Dairy Company, Valley Farm Dairy Company, Valley Spring Dairy, Wild Hunter Dairy Company, and Ganahl Dairies Company. The market administrator proposes an amendment to the provision relative to interhandler sales.

The Agricultural Marketing Agreement Act of 1937 authorizes the Secretary of Agriculture, after due notice of and opportunity for hearing, to amend orders regulating the handling of milk which have been issued by the Secretary. On February 1, 1940, Order No. 3, as last amended, became effective. On December 21, 1939, the Secretary gave his tentative approval to a marketing agreement, as amended, regulating the handling of milk in the St. Louis, Missouri, marketing area, which marketing agreement, as amended, the handlers have failed or refused to sign.

In response to the petition of the above-named producers' association, the Secretary of Agriculture has issued notice of a hearing to be held at the Coronado Hotel, Spring and Lindell Sts., St. Louis, Missouri, beginning at 10:00 a.m., c.s.t., July 25, 1940. At the above time and place opportunity will be given for interested parties to present evidence with respect to each of the proposed amendments, which are to be considered as applying alike to Order No. 3, as amended, and to the marketing agreement, as amended, tentatively approved, December 21, 1939. It is suggested that the interests of each party will be best served by a concise presentation of relevant facts in his possession, which he feels the Secretary of Agriculture should have in the record of the public hearing upon which to base a decision regarding each of the proposed amendments, reserving his arguments for filing in written form at the close of the hearing. Handlers will have the opportunity to sign a marketing agreement embodying the same terms as Order No.

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3, as amended, with such amendments as may be determined from this hearing. If upon the facts in the record the Secretary of Agriculture decides that he should amend Order No. 3, as amended, the content of such amendment will be made known to producers and their approval or disapproval of the amendment determined.

The proposed amendments upon which the hearing will be held are set forth below. Their publication in this form is for the convenience of interested parties and is not to be considered as in any way signifying their approval by the Secretary of Agriculture.

Amendments Proposed by Producers

- 1. Delete Sec. 903.4(a) and substitute therefor the following:
- (a) <u>Class I prices</u>. Each handler shall pay producers, in the manner set forth in Sec. 903.8, for Class I milk, not less than the following prices:
- (1) In the case of milk received at such handler's plant located in the marketing area, the price determined herein: Provided, That with respect to Class I milk disposed of by such handler under a program approved by the Secretary for the sale or disposition of milk to low-income consumers, including persons on relief, such price shall be \$1.78 per hundredweight.

92-Score Butter	Class :
Price, Chicago Market	Price
<u>Cents</u>	Dollar
20-20.999	2.065
21-21.999	2.10
22-22.999	2.135
23-23.999	2.17
24-24.999	2.205
25-25.999	2.24
26-26.999	2.275
27–27.999	2.31
28-28,999	2.345
29-29,999	2.38
30-30-999	2.415
31-31.999	2.45
32-32.999	2.485
33-33.999	2.52
34-34-999	2.555
35-35.999	2.59
36-36,999	2.625
37-37.999	2.66
38-38-999	2.695
39-39.999	2.73
40-40.999	2,765
41-41-999	2.80
42 - 42 . 999 43 - 43 . 999	2.835
	2.87
44-44•999 45-45•999	2.905
45 - 45.999 46-46.999	2.94
47 - 47 . 999	2.975
41-41-777	3.01

92-Score Butter Price, Chicago Market Cents	Class I <u>Price</u> <u>Dollars</u>
48-48.999 49-49.999 50-50.999 51-51.999	3.045 3.08 3.115 3.15 3.185
53-53•999 54-54•999	3.22 3.255

The foregoing schedule of prices to be in effect except that during the months of May and June 1941, the Class I price shall not go below \$2.24 per hundredweight; for the months of December 1940, January, February, March, April, and December 1941, the Class I price shall not go below \$2.30 per hundredweight; for the months of July, August, September, October, and November in the years of 1940 and 1941, the Class I price shall not go below \$2.55 per hundredweight.

- (2) In the case of milk received at such handler's plant located outside the marketing area, the price per hundredweight determined pursuant to subparagraph (1) of this paragraph less the amount specified for the airline distance of such plant from the City Hall in St. Louis, as follows: within 5 miles, 4 cents; more than 5 miles but not in excess of 10 miles, 8 cents; more than 10 miles but not in excess of 15 miles, 12 cents; more than 15 miles but not in excess of 20 miles, 16 cents; more than 20 miles but not in excess of 30 miles, an additional 2 cents; more than 30 miles but not in excess of 40 miles, an additional 2 cents; and for each additional 10 miles, in excess of 40 miles, an additional 1 cent.
 - 2. Add the following to Sec. 903.4(b)(1):

The Class II price shall be increased 10 cents per hundredweight for the months of July, August, September, October, and November for any year, provided the total production in the market is below 26,000,000 pounds in any of the aforementioned five months.

- 3. Delete Sec. 903.4(c).
- 4. Delete Sec. 903.8(c) and substitute therefor the following:
- (c) If a handler has received from any producer, during the delivery period, milk having an average butterfat centent other than 3.5 percent, such handler, in making payments pursuant to paragraph (a) of this section, shall add to the uniform price for such producer for each one-tenth of 1 percent of average butterfat content in milk above 3.5 percent not less than, or shall deduct from the uniform price for such producer for each one-tenth

of 1 percent of average butterfat content in milk below 3.5 percent not more than, the following amount:

3 cents, if the average price of 92-score butter at Chicago was less than 30 cents per pound.
3.5 cents, if the average price of 92-score butter at Chicago was 30 cents and less than 35 cents per pound.
4 cents, if the average price of 92-score butter at Chicago was 35 cents and less than 40 cents per pound, or
4.5 cents, if the average price of 92-score butter at Chicago was 40 cents per pound or higher.

Amendment Proposed by Market Administrator

l. Delete from Sec. 903.3(c) the phrase "who is not a handler but who distributes or manufactures milk products" and substitute therefor the following:

located outside the marketing area who is not a handler but who is engaged in bottling and distributing milk or manufacturing milk products, and to exclusive manufacturers of milk products wherever located.

Amendments Proposed by Handlers

- 1. Delete Sec. 903.4(a)(1) and substitute therefor the following:
- (1) Add to the price per hundredweight for milk of 3.5 percent butterfat content, computed pursuant to the following formula:
- (a) Multiply the average wholesale price per pound of 92-score butter at Chicago for the delivery period as reported by the United States Department of Agriculture by six;
- (b) Add 2.4 times the average weekly prevailing prices per pound of "Twins" during the delivery period on the Wisconsin Cheese Exchange at Plynouth, Wisconsin;
- (c) Divide by 7, the sum so determined being hereafter referred to in this section as the combined butter and cheese value;
 - (d) To the combined butter and cheese value add 30 percent thereof;
 - (e) Multiply the sun computed in (d) above by 3.5;

the sum of 84 cents per hundredweight for the months of July, August, September, October, and November; 30 cents per hundredweight for the months of

December, January, February, March, and April; and 70 cents per hundredweight for the months of May and June;

- or, as an alternate the following:
- (1) In the case of milk received at such handler's plant located in the marketing area \$2.10 per hundredweight.
 - 2. Add the following after the word "containers" in Sec. 903.4(b)(3):

and milk disposed of to a plant which is not approved for the handling of milk by the respective health departments and which plant engages only in the manufacturing of milk products.

- 3. Delete Sec. 903.4(c) and substitute therefor the following:
- (c) Price adjustment. For each delivery period during which the total receipts of milk by handlers from producers exceed 26,000,000 pounds, as determined by the market administrator from reports submitted by handlers pursuant to Sec. 903.5(a), the prices set forth in paragraphs (a) and (b) of this section shall be reduced 1 cent per hundredweight for each 1 million pounds, or part thereof, of milk received by handlers from producers in excess of 26,000,000 pounds.
 - 4. Delete Sec. 903.4(d) and substitute therefor the following:
- (d) Sales cutside the marketing area. The price to be paid by handlers for Class I milk disposed of outside the marketing area, in lieu of the price otherwise applicable pursuant to this section, shall be, as ascertained by the market administrator, such price as is being paid to farmers in the market where such milk was disposed of, for milk of equivalent use, subject to a reasonable adjustment on account of transportation with respect to Class I milk moved from the handler's plant in the marketing area to the handler's plant outside the marketing area where such milk was loaded on wholesale and retail routes, and subject to a further deduction of 9 cents per hundredweight.
 - 5. Delete Sec. 903.5(d) and substitute therefor the following:
- (d) <u>Verification of reports</u>. Each handler shall permit the market administrator or his representative, during the usual hours of business, to (a) verify the information contained in reports submitted by such handler pursuant to this section, and (b) weigh, sample, and test milk for butterfat.
- If, in the verification of the report of purchases and sales of the handler for any previous delivery period, the market administrator finds that differences occur between the reported and actual quantities of milk received or between the reported and actual quantities of milk disposed of in each class, he shall make an adjustment in the following manner: (a) recompute for such handler the uniform price for the delivery period for

which the report of purchases and sales of milk is being verified, after making the adjustments in such quantities of milk necessary to account for such differences, and (b) add to, or subtract from, the value of milk in the current pool for such handler, computed pursuant to Sec. 903.7(a), an amount representing, at the difference between the uniform price previously announced pursuant to Sec. 903.7(b)(5) and the recomputed uniform price, the value of milk accounted for by such adjustment, such additions to or subtractions from the current pool, however, to be separately set forth in such manner as to clearly state the amount of the adjustment for each month or months verified pursuant to this section.

- 6. Delete Sec. 903.8(a)(2).
- 7. Sec. 903.8(c) Butterfat differential.

The handlers oppose any change in the present butterfat differential established by Order No. 3, as amended, but submit that if any change is to be made in the butterfat differential, the method of computation should be to add for each one-tenth of 1 percent of the butterfat content of the milk above 3.5 percent, or to deduct for each one-tenth of 1 percent of the butterfat content of the milk below 3.5 percent a sum equivalent to one-tenth of the average monthly actual price of 92-score butter at wholesale in the Chicago market as reported by the United States Department of Agriculture.

8. Add to Sec. 903.11 the following:

and no handler shall accept milk from a producer who is delivering milk to another handler unless and until such producer shall have first given one full calendar month's written notice to the handler to whom he is then delivering milk of his intention to deliver milk to another handler, except in such case where the two said handlers and the said producer have filed a written waiver of the foregoing provision with the market administrator.

UNITED STATES DEPARTMENT OF AGRICULTURE SURPLUS MARKETING ADMINISTRATION WASHINGTON, D. C.

NOTICE OF HEARING WITH RESPECT TO A PRO-POSAL TO AMEND THE TENTATIVELY APPROVED MARKETING AGREEMENT, AS AMENDED, AND ORDER NO. 3, AS AMENDED, REGULATING THE HANDLING OF MILK IN THE ST. LOUIS, MISSOURI, MARKETING AREA.

WHEREAS, pursuant to the authority conferred upon the Secretary of Agriculture under Public Act No. 10, 73d Congress, as amended, the Secretary issued an order regulating the handling of milk in the St. Louis, Missouri, marketing area, effective February 1, 1936, which order was amended effective April 17, 1936, April 1, 1937, April 5, 1939, and February 1, 1940; and

WHEREAS, the Secretary tentatively approved a marketing agreement regulating the handling of milk in the said area on December 10, 1935, amendments to which tentatively approved marketing agreement were tentatively approved on March 30, 1936, March 16, 1937, March 10, 1939 and December 21, 1939; and

WHEREAS, the Sanitary Milk Producers, certain handlers, and the market administrator have proposed certain amendments to said order, as amended, and to said tentatively approved marketing agreement, as amended; and

WHEREAS, the Secretary has reason to believe that an amendment of said order, as amended, and of said tentatively approved marketing agreement, as amended, will tend to effectuate the declared policy of Public Act No. 10, 73d Congress, as amended and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937; and

WHEREAS, under the aforesaid act notice of hearing is required in connection with a proposal to amend an order, and the General Regulations. Series A, No. 1, as amended, of the Agricultural Adjustment Administration, United States Department of Agriculture, provide for notice of and opportunity for hearing upon amendments to marketing agreements and orders:

NOW, THEREFORE, pursuant to said act and general regulations, notice is hereby given of a hearing to be held on said proposals to amend the order, as amended, and the tentatively approved marketing agreement, as amended, regulating the handling of milk in the St. Louis, Missouri, marketing area, at the Coronado Hotel, St. Louis, Missouri, at 10:00 a.m., c.s.t., July 25, 1940.

This public hearing is for the purpose of receiving evidence as to the necessity for (1) revising the class prices for milk, (2) revising the automatic price adjustment which becomes effective when production exceeds 29,000,000 pounds for the delivery period, (3) revising the Class I price for milk sold outside the marketing area, (4) revising the butterfat differential, (5) adding to the paragraph covering verification of reports a provision authorizing the market administrator to show the amount of audit adjustments separate from the revised blend price computed for each delivery period, (6) adding to the section covering unfair methods of competition a provision covering the procurement of milk from producers currently delivering to other handlers, (7) clarifying the provision relating to the sale of milk between handlers, or by a handler to a non-handler who is engaged in selling milk or in manufacturing milk products, (8) clarifying the provision relating to the pricing of milk used for evaporated milk, and (9) deleting the new producer provision.

Copies of the proposed amendments prepared as a basis for the public hearing may be procured from the Hearing Clerk, Office of the Solicitor, United States Department of Agriculture, in Room 0310, South Building, Washington, D. C., or may be there inspected.

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/s/ H. A. Wallace
Secretary of Agriculture

Dated: July 17, 1940

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Washington, D. C.